

SOCIALISM

BY

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of England

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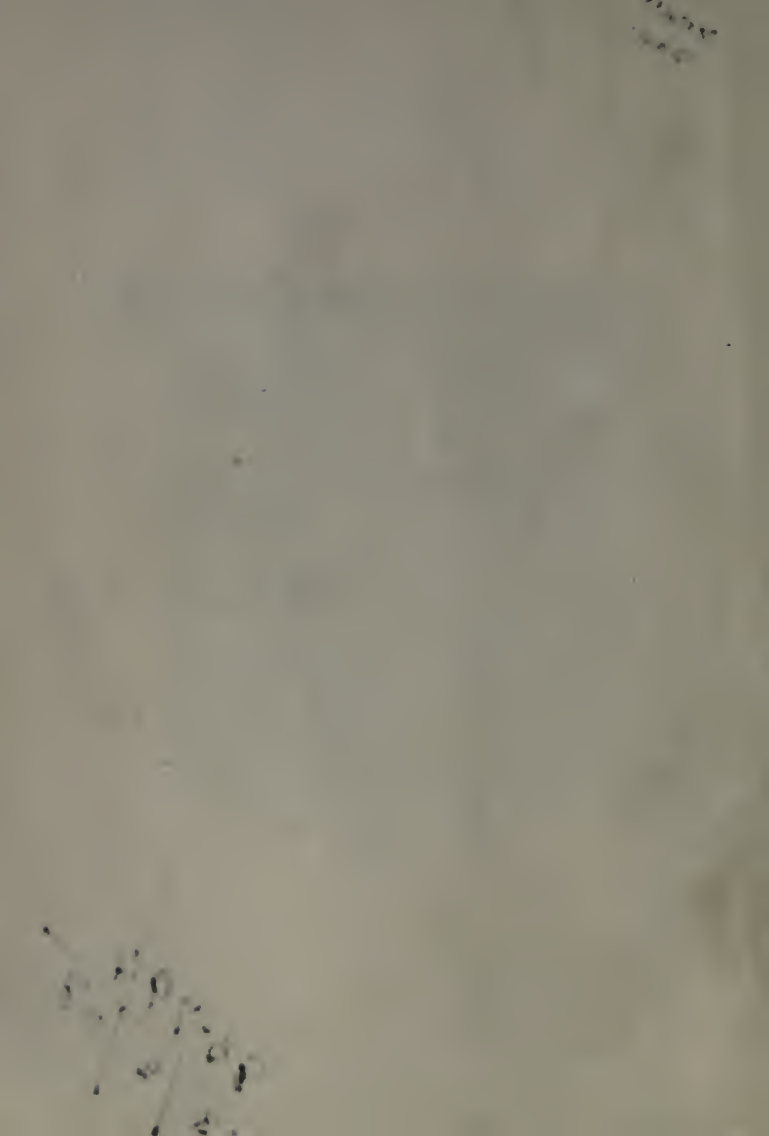
OF ENGLAND

THE NATIONAL CIVIC FEDERATION

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LECTURE I.

The invitation with which I have been honored by The National Civic Federation of New York to deliver a short series of addresses on those modern economic theories which, under the name of socialism, are enjoying so considerable a vogue both in this country and in Europe, is an invitation which I have accepted with a pleasure proportionate to the interest of the subject.

What socialism really means, in so far as it means anything distinctive, definite, and coherent, is a question I will discuss presently. But whatever it means, it stands, on its practical side, for some scheme for bettering the condition of the majority of the human race, by reorganizing society on a basis substantially different from that on which it rests now, and on which it has rested always, from the beginnings of civilization till to-day.

Now, any scheme of this kind which aims at the practical introduction of some radically novel principle, however practical may be its object, and however strongly it may appeal to the practical and concrete passions, necessarily implies and rests upon certain intellectual judgments or theories with regard to the facts and forces of society and of human nature. One of the greatest groups of changes that have taken place in modern times are those which rest on the introduction and the perfecting of the steam engine. The steam engine and the steam printing press may be called the physical basis of that diffused knowledge and that force of public opinion which in many minds arouse such unbounded enthusiasm. But on what rested the possibility of the introduction of the steam engine and the steam printing press? It rested on the fact that by a course

passionate study, certain men arrived at a series of passionate conclusions which proved to be in complete harmony with the powers and processes of nature. The same is the case with socialism. Whatever its ultimate objects, even those who are most enamored of them must admit that their practical value depends on whether the means by which socialists propose to achieve them are in harmony with the character, the faculties, and the limitations of human beings generally; and here we have a question, not of feeling, but of dry scientific fact.

It is this aspect of our subject to which I wish to direct your attention. I will ask you, for the moment, to lay mere feeling aside; and, admitting that in the world as it is there are many evils which we all desire to mitigate, to consider in a sober and scientific spirit, whether the class of remedies which go by the name of socialism would produce—I do not say merely a preferable—but even a practicable, a working alternative.

I think I may venture to say that a large number of highly educated persons who, actuated no doubt by generous and unselfish sympathies, are anxious to claim for themselves the name of socialists, have never submitted themselves to this discipline of preliminary scientific inquiry. They see that under the existing order of things many evils exist. They are persuaded that these evils are due to the general constitution of society, and that the evils would disappear were that general constitution altered. Such being the case, they leap to the curious conclusion that the only alternative to the existing state of things is socialism, and that, by leaping into the fire, we shall free ourselves from all the evils of the frying pan. They are like men traveling on a road rough, hilly and dangerous, which interposes many difficulties between them and the point which they desire to reach, and who, impatient of these difficulties, propose, instead of improving the road, to

take a short cut toward the point desired across a quicksand. The quicksand is level and would not wound their feet. They never pause to inquire whether it would not engulf the pedestrian. It is not the road, therefore it must be better than the road. Such is their simple logic. What socialism is in detail, as a constructive scheme, they make no attempt to investigate. They allow it to impress their imaginations like a building seen in a dream; but they never inquire, as practical builders are bound to do, whether such a building is a structural possibility or no. They never consider in detail the principles of its structure at all.

Persons whose minds are in a condition so vague as this may be admirable in respect of their sympathies, but their opinions with regard to socialism as a practical programme are valueless. Nor is there any legitimate excuse for this vagueness. If socialism represents no social principles definitely and identifiably different from those in operation now, it is idle to talk of the progress which socialistic opinion has made, or the practical consequences which may arise from it; but practically this is not the case. Whatever may be the fallacies involved in the socialistic gospel, it at all events represents principles which, so far as they go, are definite. What we have is no question of mere verbal definition. It is a question of historical fact. Any body of opinion which tends to have a practical influence is as a fact those distinctive principles and promises in virtue of which it enlists the mass of its believers and adherents, and bands them together as a party distinct from and opposed to others. And what socialism is, when estimated in this way, it is very easy to ascertain. Finding that, in the modern world no less than in the ancient the few are possessed of more wealth than the many, it proposes to alter this arrangement by a definite reorganization of society, by means of which the many, without any additional exertion, will find their position revolutionized and their wealth indefinitely increased. So far,

the promises of socialism merely coincide with a dream which has haunted the imagination of multitudes ever since civilization began. They may have sighed for Utopia as a plain woman may sigh for beauty, but they have never, except on passing occasions, and on a restricted scale, organized their aspirations into anything like a practical demand, and the reason is that, though the prospect of Utopia was pleasing, they secretly regarded it as inaccessible. It affected them as little as the promises of a quack doctor would, who offered to sell them a pill which would make them all immortal. It is, indeed, a universal truth that no desire for any desirable object becomes practical unless the conditions of knowledge prevalent amongst those desiring it are such as to enable them to believe that the desired object is attainable. Nothing illustrates this fact more clearly than the history of socialism. Socialism in its earlier stages, as socialists now admit, was Utopian; and, being Utopian, it was ineffective. It first became an organized movement when a great thinker arose who supplied it with a foundation in science. Then the multitudes began, for the first time, to feel that knowledge was on their side, and that the desirable was also in sober truth obtainable. The thinker I refer to was the celebrated Karl Marx, whose work on *Capital*, published about the middle of the 19th century, has been acclaimed throughout Europe and America as the scientific bible of socialism.

The practical outcome of the scientific economics of Marx is summed up in the formula which is the watchword of popular socialism. "All wealth is due to labor; therefore all wealth ought to go to the laborer"—a doctrine in itself not novel, but presented by Marx as the outcome of an elaborate system of economics.

This formula, whatever may be its intrinsic truth or falsehood, illustrates by its success as an instrument of popular agitation the fact on which I have been just now insisting, that desire becomes practically active

only when accompanied by a belief that its object is capable of attainment. But it does more than illustrate this general fact. It crystallizes and gives prominence to a most important economic truth. The truth to which I refer is this—that the possibility of redistributing wealth depends on the causes by which wealth is produced. Wealth, says Marx, not only ought to be, but actually can be distributed amongst a certain class of persons, namely, the laborers, and why can it be? Because these laborers comprise in the acts of labor everything that is involved in the production of it. In other words, wealth is like water pumped up into a reservoir, and thence conducted by pipes into innumerable private houses. If the men who draw it off at the taps have nothing to do with the quantity that is pumped up—if, for example, the whole is pumped up by angels, who can pump up as much or as little as they please—it is evident that the amount which the men consume, and the manner in which they apportion it, will depend in the last resort not on the men, but on the angels; for if the angels disapprove of the men's use of the water they will simply cut off the supply. If the men themselves are to determine the distribution, without reference to the will of anyone else, they can do so only because, as a matter of fact, they do all the pumping themselves without external assistance. Such, in an expanded form, being the application which Marx makes of his doctrine that labor alone produces all economic wealth, let us consider this doctrine itself, which remains the fulcrum of the socialistic lever. In view of this fact you will not, I hope, find it uninteresting if I give you a brief account of the general argument of Marx.

The doctrine that labor is the source of all wealth is apt to strike many people at first sight as obviously incomplete. Capital generally, and in especial machinery, must, they will say, contribute something; but to such objections Marx has a most ingenious answer. He

starts with the fact that in the modern world, where labor is minutely divided, each producer or group of laborers, produces only one commodity, of which the producer himself consumes little, and very often nothing. A man, for example, may not himself smoke, and yet his whole industrial business may be to produce cigars. The products of his industry are, therefore, to himself valueless. They possess value for him, or are in other words wealth only in so far as he can exchange them for other commodities which he personally requires and can enjoy. His wealth, therefore, is measured by the quantity of assorted products which he can get in exchange for the total of the product which he himself produces. What, then, is the measure of value which regulates the quantity of assorted commodities which the possessor of a given stock of one commodity, such as cigars, is able to get in exchange for it? And for his answer to this question Marx goes to Ricardo and the orthodox economists generally and declares that this measure of value by which the exchange of various commodities is regulated, is the amount of labor which is normally embodied in each of them, the labor in question being the labor of the average man, measured in terms of time. The meaning of this doctrine is very vividly illustrated by the proposal to substitute for ordinary money what the socialists call labor-certificates, by means of which the product of an hour of any one kind of labor—say, whiskey making, will exchange for the product of an hour of any other kind of labor—say a hundred copies of a tract which demands that whiskey making should be prohibited.

Having thus settled that average labor, the measure of which is time, is the sole source and measure of wealth or economic values, Marx goes on to point out that by the improvement of industrial processes, and more especially by the development of machinery, labor in recent times has been growing more and more productive, so that each labor hour results in an increased out-

put of commodities. Thus a man who, a hundred and fifty years ago could have only just kept himself alive by an expenditure of his entire labor day, can now keep himself alive by an expenditure of no more than half of it. The remainder goes to produce what Marx called a surplus value, by which he meant all that output of wealth which is beyond what is practically necessary to keep the laborers alive. But what becomes of it? Does it go to the laborers who have produced it? No, replies Marx. On the contrary, as fast as it is produced, it is abstracted from the laborers in a manner which he goes on to analyze, by the capitalists.

Here Marx advances to the second stage of his argument. His general conception of capital is the instruments of production—especially those vast aggregates of modern machinery, by the use of which labor has so vastly increased its output. Now here, says Marx, the capitalist will hasten to object that the increased output is due not to labor, but to the machinery; and to such an objection the answer, he says, is this: That the machinery itself is nothing but past labor in disguise. It is past labor fossilized, or embodied in a permanent form, and used by present labor to assist it in its own operations. Labor, therefore—common, average labor, remains the sole agent in production after all. Capital, however, possesses this peculiarity—that, being labor in a fossil state, it is capable of being detached from the laborers, and is thus capable of being appropriated by other people; and the meaning, he says, of capitalism in the modern world is the appropriation of the implements of production by a minority who are non-producers. This process, says Marx, had its first beginnings in the downfall of the feudal system, but it did not assume great proportions till the introduction of steam power, and the development of great factories, in the latter part of the eighteenth century, when, for the old implements owned by the individuals who worked them were gradually substituted machines for

the use of each of which hundreds or even thousands of men were necessary, and these huge implements of production, unlike the small ones which they superseded, fell into the hands of a limited and non-laboring class, the actual workers being left with no implements at all. The people at large, in fact, became like a single body of mill hands, who must either be given employment in a particular mill or starve, and the possessing class as a whole became like the owner of such a mill, who, practically holding the keys of life and death, is able to impose on the hands almost any terms he pleases as the price of admission to his premises and to the privilege of using his machinery. And this price which the owner under these circumstances will exact—such was the contention of Marx—inevitably must come, and historically came to this—namely, the entire amount of the goods which the hands produce, except that minimum which is absolutely necessary to keep the hands alive. Thus all capital, all profits, and all interest on capital, are fundamentally neither more nor less than an abstraction from labor of commodities which manual labor produces, and manual labor alone.

The argument of Marx is not, however, finished yet. There remains a third part which we still have to consider. Writing as he did in the middle of the nineteenth century, he said that the process of capitalistic appropriation had not yet completed itself. A remnant of the old class of producers and a middle class connected with them still survived. But, he continued, in all capitalistic countries a new movement, inevitable from the first, had already set in, and its pace was daily accelerating. Just as the earlier capitalists had swallowed up most of the small producers, so were greater capitalists now swallowing up the smaller, and the other classes were becoming to an increasing degree the victims. Wages, he said, were regulated by an iron law. Under the system of capitalism it was an absolute impossibility that they could rise, the result be-

ing, he said, in language that became proverbial, that the rich are getting richer and fewer. The poor more numerous and poorer, and the middle classes are being crushed out; and a time, he continued, was already in sight—a time before the end of the nineteenth century—when nothing would be left but a handful of very rich men on the one hand and a level mass of men on the other, having only enough food to keep their muscles capable of labor and only enough of rags to save them from being naked or frozen. Then, said Marx, the situation will be no longer tolerable. Then the knell of the capitalistic system will have sounded. The workers will assert themselves under pressure of an irresistible impulse; they will repossess themselves of the implements of production that have been taken from them. The expropriators will in their turn be expropriated, and the laborers will divide amongst themselves for the future the entire product produced by them.

I have given you this outline of the theory of Karl Marx, because, though a certain class even of later socialists themselves have felt themselves forced to reject parts of it as untenable, it still remains, so far as its primary doctrines go, the basis of popular socialism up to the present day. I mean the doctrine that all wealth is due to the labor of the average majority—to that ordinary manual exertion which in all cases is so equal in kind that an hour of it on the part of any one man is approximately as efficacious as an hour of it on the part of any other. This doctrine has been, and still is, the basis of socialism as a working appeal to the majority. It enables the preachers of socialism to say to the manual workers, who in all communities must constitute the vast majority of the population, "You, and you alone, produce all the wealth of the world. Each of you, hour for hour, contributes an equal share to it; and each of you is, consequently, entitled to an equal share of the dividend." And, however, since the days of Marx, the more intellectual

socialists may have shifted their intellectual ground, they still preach to the masses the gospel that Marx preached to them. Here, for example, is the declaration of Mr. Sidney Webb, the most prominent representative of thoughtful socialism in England: "The only scheme of society which can be described as 'truly socialistic' is one which will secure to every citizen equal means of subsistence, and prevent the slightest inequalities in wealth from ever again arising."

I say again, then, that in the minds of the masses the attraction of socialism is its promise of an equal distribution of wealth; and what makes them regard such an equal distribution as possible is that theory of production which the genius of Karl Marx invested with a semblance, at all events, of sober scientific truth, and which ascribes all wealth to that ordinary manual labor which brings the sweat to the brow of the ordinary laboring man.

This theory of production, then, being the basis of popular socialism. I propose to take it as my starting point, and to examine it, not now, but on the occasion when I next address you. I then hope to show you that, in spite of the plausibility with which the ingenuity of Marx invested it, this basic doctrine of so-called scientific socialism is the greatest intellectual mare's nest of the century that has lately ended; and, not confining myself to any merely negative criticism, I shall endeavor to put before you what the human factors in production really are. We shall then see that the analysis of Karl Marx bears as little relation to the actual facts of the case as the old analysis of matter into fire, water, earth and air bears to the actual facts of chemistry as modern science has revealed them to us.

But before I begin this examination, there are certain other points which I would press on your attention, as a preface to it. To a considerable number of people, without any formal examination of it at all, this doctrine that labor is the sole producer of wealth will

suggest many obvious difficulties. If all labor, hour for hour, produce commodities of equal economic value, it will occur to many of us to ask how any enterprise which sets labor in motion can fail. An English disciple of Karl Marx, Mr. Hyndman, has pushed the doctrine of Marx to its full logical consequences. In a manual of socialism published by him he takes the case of a man who finds himself in the possession of fifty thousand dollars, and says that, if he wants to live permanently by robbing other men of the products of their labor, his course is, under the present system, simple. He buys a mill of some kind, hires a manager and operatives, and year by year robs them of the surplus values which they produce. He himself, says Mr. Hyndman, with delightful naivete, "has nothing to do but sit still and watch the mill go." Does this conclusion coincide with the facts of life? All practical men will at once dismiss it with derision. If it were true, any one employment of capital would be just as successful as any other. Every enterprise would meet with equal success which found employment for an equal amount of labor. A ship which sailed indifferently would be just as good as a ship which sailed well, if only the same amount of labor had been expended on the construction of both. If two yachts were built for a race between America and England, the trouble of an actual race might be spared. We could discover which was the most valuable boat beforehand, by discovering which had taken the longest time to make. Or, if the merit of the crews were in question, we could tell which was the most efficient by discovering which had worked itself into a state of the most violent perspiration. These objections, and others of the same rough and ready kind will suggest themselves to the doctrine that the wealth represented by a product depends on the amount of manual labor that is embodied in it. And yet in spite of all this we are confronted by a very curious fact. This doctrine with regard to labor has been adopted, and is con-

stantly enunciated, not by socialists only, or by persons of defective education; but we find it explicitly or implicitly dominating the thought of others—of highly-placed politicians, and celebrated philosophical thinkers, who look upon socialism as a practical programme with abhorrence. Ruskin, for example, who repudiated all sympathy with socialism, is never weary of declaring that nothing produces wealth but labor. Mr. Lloyd George, a member of the present liberal British government, wrote some months since to the *Times*, declaring that he was no socialist, but that he did desire to see more of the wealth of the country finding its way to the laboring classes, who alone produced the whole of it. Again, let us take Count Tolstoy, who, whatever we may think of his eccentricities, is at all events a man of genius. Count Tolstoy begins one of his recent publications thus: "There are a thousand millions of laboring men in the world. All the bread, all the goods of the whole world, all wherewith people live and are rich—all this is produced by these laboring men." And if we wish to be perfectly certain what Count Tolstoy means by laborers, he tells us that there is one sure test. Are the palms of their hands hardened by manual toil?

Seeing, then, how many are the objections which ordinary common sense suggests to the doctrine that all wealth is produced solely, and measured solely by labor, we are naturally led to ask how it is that so many eminent men can still accept and enunciate this doctrine as an axiom. Why, if it is really so absurd as, from some of its consequences, it would seem to be, has it not been formally so exposed and exploded that no serious thinker can any longer give harbor to it? To this question there are several answers which I shall point out hereafter; but there is one, and perhaps the most important one, to which I must call your attention now. This consists in the fact that the doctrine in question is embodied, and is every day repeated,

in the language of what is called the orthodox science of economics; and the teaching of the orthodox economists has, in this special respect, never been rendered definitely obsolete by any definite, authoritative and popularly accepted correction of it. It was the boast of Karl Marx that all his most revolutionary conclusions, which threatened the whole system of capitalism, was deduced from the doctrines of thinkers who regarded that system as unalterable, and who, so far as intentions went, were its chief intellectual supporters. And in this Marx was absolutely right. Let me show you in detail how.

Let us open any text-book of orthodox economics we please, and what will it tell us as to the agencies by which wealth is produced? It will tell us that these agencies are three—land, capital and labor. Now by land is meant all the forces and spontaneous gifts of nature. As to these there is no dispute. Dispute arises only in connection with the agencies supplied by man. Of these capital is one; but capital, whatever may be its nature, represents human agencies that are past, not agencies that are actually operating in the present; and would be absolutely sterile unless living human effort made use of it. It is therefore on the nature of the living industrial effort involved in the production of wealth that the whole discussion turns; and this living industrial effort is, by the orthodox economists, comprised under the single name, and the single category of labor.

Now nobody must think that I am going to follow the example of Ruskin and Carlyle, and other distinguished writers, and attack the science of the orthodox economists as a no-science, whose conclusions—to quote Ruskin's language, are practically valueless and nugatory. My sole contention is that this science is incomplete, and that instead of denying itself it must complete itself; and that the point at which its extension must begin is this point which we are now considering—

namely, its present comprehension of all the varieties of living industrial effort under the common name and common idea of labor. All varieties of such effort have doubtless certain features in common, and for certain purposes it is sufficient to group them all together. Thus chemistry assumed at one time that atoms were the ultimate particles of matter; and for the solution of certain problems this assumption sufficed and suffices still. But new problems have dawned on the scientific world, and chemistry, in order to solve them, has to push its analysis farther, and has now reduced atoms to aggregates of minuter elements. Similarly, political economy is asked to solve problems now which, in the days of Adam Smith and Ricardo, had never so much as been mooted in any definite and coherent way. When the orthodox economists declared that labor was the only living human agency involved in the production of wealth, and that the value of commodities were measured by the amount of labor embodied in them, no one had thought of isolating the labor of the average man, of contrasting it with other effort of a more exceptional kind, and claiming for the former that it alone was productive; or that all effort, hour for hour, was of equal productive value. These economists indeed admitted from time to time that the labor of some men produced much more than that of others. Thus Mill refers to the productive power of mere thought. But, having paid these casual tributes to common sense, they made no attempt to give their admissions any definite form, or provide for them in their system any definite place. They were content, since in their day, no practical issue was involved, to leave all forms of living industrial effort, from those of a Watt or an Edison down to those of a man who tars a fence, grouped together under the common name of labor.

But if this crude analysis was sufficient for yesterday, it is quite insufficient for to-day. If labor be taken

to include industrial effort of all kinds, to say that labor is the source of all wealth is a platitude; and to say that all wealth ought to go to the laborers is like saying that all wealth ought to go to the human race. We have no foundation here for any of the distinctive doctrines of socialism. Socialism becomes a definite and distinctive doctrine only when the word labor is taken in an exclusive sense and stands exclusively for those ordinary manual efforts by which, as Count Tolstoy says, the palms of the hands are hardened; all other forms of effort, and the claims based on them, being ignored. So soon as labor becomes definitely understood in this sense, and is in this sense appropriated by socialism as a militant school of thought, it is impossible to argue with them, and ask whether their theory be true or false, so long as we persist in using the same name, and considering under the same category the kind of effort which the socialists mean by the word, and which they recognize, and those other kinds of effort which they definitely ignore and exclude. The truth of the matter is, as I shall point out when I next address you, that the varieties of human effort involved in the production of modern wealth are not one, but two; and that these differ not only in degree of productivity, but in kind—in the very nature of their operation; and that economists who attempt to explain the production of wealth to-day, whilst giving a single name to two different kinds of effort, are like a man who insists on putting his hands into boxing-gloves as a preparation for taking to pieces the delicate works of a chronometer.

The first thing, then, for us to do, under the pressure of novel circumstances, is to take up the problem where the orthodox economists leave it—to go on where they leave off. It is to take this mass of unanalyzed industrial effort which is involved in the production of wealth in modern civilized communities and see of what different kinds of effort the great total con-

sists, and how one kind is connected and co-operates with the other.

This question—the question of how wealth is produced—is the first question, in point of logic, with which it is necessary to deal, in considering the socialistic theory as to the manner in which it ought to be distributed. It should also be dealt with first as a mere matter of argumentative tactics, for in this way the question on which we first enter is a question not of what ought to be, but of what is. It does not involve us in any dispute with socialists as to who ought to get, and who ought not to get, such and so much of such and such of the world's goods. We have merely a question of what are the different kinds of human action and faculties which are actually involved in the bringing of these goods into existence.

This, then, is the question which we may call the statics of production, with regard to which I hope at our next meeting to address you. At present the orthodox economists and the socialistic economists alike give us all human effort tied up, as it were, in a sack, and ticketed "human labor." I propose to open the sack, to spread out its contents before you, and ask you to examine them with your own eyes; and the result will be to exhibit not labor only, but capital also, and the forces which capital represents, in a light very different from that in which they at present appear to the prophets and apostles of socialism, and to the multitudes who, more or less vaguely, are allowing themselves to be influenced by their theories.

LECTURE II.

I pointed out last Tuesday that when we speak of Socialism, its rise, its spread, and so forth, we are not speaking of any realized system; but merely of a belief or theory that such a system is possible, and a consequent demand that it should be established. I pointed out also that the main promise of socialism—namely that all wealth should be distributed with substantial equality amongst the manual laborers, rested on a theory with regard to the human agencies by which the wealth in question is produced—this theory being that the only human agency involved is average manual labor, in respect of which one man is practically so equal to another that the amount of wealth produced by him is measurable by the hours for which he labors. I propose to-day, taking this theory for a text, to inquire how far it is an adequate explanation of the facts. We shall find that, whilst it is adequate, if applied to societies in a very low state of development, it progressively fails to be adequate, and becomes more and more ridiculous, in proportion as the societies in question rise in the scale of civilization, and the amount of wealth which the socialists desire to redistribute increases.

To begin, then—the doctrine that labor is the sole producer of wealth is at all events so far true that no wealth could be produced without it. Moreover, we can find many examples, not in primitive societies only, but amongst certain populations still existing in the countries of the modern world, in which practically it operates alone.

By turning to examples of these, we can see what manual labor, taken by itself, produces. Such exam-

ples are furnished us in abundance by the lowest savages, who work without co-operation, and who just manage to produce a bare minimum of subsistence. But even such savages use certain rude implements which may be called the germ of what economists call fixed capital; and these implements, which are such as can be made by anybody, may be rightly, in the language of Marx, called ordinary labor fossilized. But we need not go back to savages to find examples of populations amongst which ordinary labor is the sole productive agent. There still exist, in civilized countries, peasant families who own their land and till it, who build their own houses and weave their own clothes, without any aid or guidance except their own.

Now what kind, and what amount of wealth, do populations such as these produce? Let me read you a few passages descriptive of a population of this kind, which are taken from a very celebrated book. "They labor busily, early and late. They carry their manure to their lands whilst the frost is still on them. They earn their firewood with a labor so intense that the common English people would be astonished. They plod on from day to day, and from year to year, the most untirable of human animals." You might think that this was a description by some indignant socialist of the misery of labor when enslaved by capital. As a matter of fact it is a description by a German writer, which John Stuart Mill quotes in his treatise on Political Economy, as illustrating the admirable position of German peasant proprietors, who own their land, and the instruments of production which they use, and have no masters except themselves. And what reward do these men gain by their labor? These untirable animals gain, according to their German eulogist, just enough to keep themselves above the level of actual want. And both this author and Mill hold them up to our inspection, not as victims of op-

pression, but as shining examples of the magic effects of ownership in intensifying human labor.

And now let us compare the wealth which is produced under these conditions with the wealth produced under the system which the socialists denounce as Capitalism. The contrast between the two amounts is emphasized by nobody more strongly than it is by the socialists themselves. A given population under modern conditions will, to say nothing of the earlier stages of society, produce two, three, four, or five times the amount of wealth that a similar population produced even a hundred and fifty years ago. This is, indeed, one of the practical reasons why the socialists demand that this huge output should be redivided.

The great question, then, which is inevitably forced upon us is, to what cause is this astonishing change due? If, as the socialists say, the only agency in the production of wealth is ordinary manual labor, why do a thousand laborers working in the year 1907 produce so incomparably more than they produced working in the year 1760?

The socialists answer that knowledge has increased, that the methods of production have improved, and that average labor has thus become indefinitely more productive. But to say this is only begging the question. To what are this increase of knowledge, and these improvements of method due? Are they due to average manual labor itself? Are they due to manual labor in any sense? This is a question which has suggested itself to many thinkers who start with the doctrine that labor is the sole human agency by which wealth is produced; and two classes of answers have been offered, which I will give as set forth by two distinguished thinkers.

Ruskin explains the advance of labor from its lowest to its highest efficiencies by the gradual development of skill; and his definition of skill is admirable. All labor, even the lowest, requires, he said, a mind of

some kind to direct the operation of the muscles; and amongst the majority of mankind, minds like hands and muscles approximate to a normal standard; but amongst a considerable minority we find that the mental faculties rise above this standard to a great variety of degrees, which the manual faculties do not and thus impart to the manual faculties an efficiency not their own. Exceptional quickness of mind, he says, will enable one bricklayer to lay in a given time more bricks than another; and similarly mental qualities of a kind higher and rarer will enable the hands of a Michael Angelo to paint his picture of the "Last Judgment," whilst the hands of another man can only whitewash a fence. Skill, in fact, is some exceptional mental quality applied by its possessor to the labor of his own hands. It belongs to him personally; and is, as Ruskin rightly says, incommunicable.

Now in skill as thus defined we have no doubt a correct explanation of how labor in some cases produces products whose value is great, whilst in others it produces products whose value is relatively infinitesimal. But these products whose value is due to exceptional skill, though they form a portion of the wealth of the modern world, are not typical of it. The products due to exceptional skill or craftsmanship—such as an illuminated missal for example—are always few in number, and can be possessed by the few only, and from the nature of the case are costly. The distinctive feature of modern wealth-production, on the contrary, is the multiplication of goods relatively to the time spent in producing them, and the consequent cheapening of each article individually. Skill, therefore, affords us no explanation of how manual labor as a whole can ever become more productive in one period than it is in another.

The second answer which I have referred to, is far more to the point. It is that given in a classical passage by Adam Smith, which forms the opening of

his great work, "The Wealth of Nations." The chief cause, he says, which in all progressive communities enhances the productive power of the individual laborer, is not the development amongst some of faculties that are above the average, but a more effective development of powers common to all, by the fact that labor is divided, so that a man by devoting his life to the performance of one operation acquires a manual dexterity otherwise beyond his reach. Here we have labor divided in its application, but not requiring different degrees of capacity. We have the average labor of the average man still.

But this simple division of labor, though a true explanation so far as it goes, takes us but a very little way in the history of industrial progress. It does not, indeed, explain all progress up to the time of Adam Smith; and the modern industrial system, when Adam Smith wrote in the middle of the eighteenth century, was, as Karl Marx insists, only just beginning. The world's great increase in productivity has been all made since that time. Even then two factors were at work, other than the division of labor, which have ever since been growing in importance and magnitude; and the secret of modern production resides, we shall find, in these. One of these is the development of machinery. The other is the increasing application of exceptional intelligence, knowledge, and energy, not to the manual labor of those who possess these exceptional qualifications, but to the direction and co-ordination of the variety of individual operations into which the manual labor of others, on an increasing scale, divides itself. It is to this latter factor that the development of modern machinery is itself due. I will speak about this first.

The economic functions of a man's intelligence and knowledge, as directing the labor, not of his own hands, but of the hands of others, finds perhaps the simplest illustration in the case of a printed book. Let

us take an edition of ten thousand copies of any book we please, printed well, and on good paper. The labor of the printers and the paper-makers is the same in kind and quality, whether the book be a work of genius, or a mere compilation of unreadable nonsense—whether thousands of people want to read it, or nobody—whether each copy is an article of wealth, or whether it is so much rubbish. What makes the edition valuable, when it is so, is the directions under which the printers work; but the directions do not come from the man by whose manual dexterity the types are arranged in a given order, and the words impressed on so many reams of paper. They come from the author conveying them to the compositors by means of his manuscript. This manuscript, considered under its industrial aspect, is a series of minute orders, every one of which modifies firstly the movements of the compositors hands, and secondly the results of every impress of the type on paper; one mind thus imparting the quality of wealth or value to every one of the ten thousand copies simultaneously.

Similarly, when any great mass of modern machinery is constructed, which involves the co-operation of thousands of manual laborers, the same situation repeats itself. The machinery is an agent of production, and increases the world's wealth, not because the parts are made with sufficient manual skill—for the highest skill may be employed in the production of mechanisms that are futile—but because each of its parts is fashioned in accordance with the orders of some master mind, which directs and co-ordinates each minutest movement made by the arms and hands of every one of the manual laborers.

And with the direction of labor generally, whether in the production of manufacturing machinery, or the use of this machinery in the production of such and such kinds of goods, from books down to ribbons and neckties of such and such a price and color, the case is the

same again. We have manual labor of a given kind and quality, which assists in producing what is wanted or is not wanted—which constitute wealth or merely a pile of refuse—according to the manner in which all this labor is directed by faculties specifically different from those involved in the manual labor itself.

Nothing can bring out the nature of this difference more brilliantly than Ruskin's definition, which I have just now quoted, of skill. Labor rises in quality, says Ruskin, and acquires the character of skill, in proportion as the mind of the laborer himself, directing his own hands, evinces qualities which rise above the normal minimum; and these qualities, as Ruskin says, are incommunicable. Their action ends with the task on which the man possessing them is engaged. Skill, in short, is the mind of one man affecting his own labor. The directive faculty is the mind of one man simultaneously affecting the labor of any number of others. It is to this direction of labor, on the part of exceptional men, and not to labor itself, that all the augmented wealth of the modern world is due. The progress of modern wealth-production consists vitally and fundamentally in an increasing concentration of the most active and powerful minds on the direction of manual effort, which is without a parallel in the past history of the world.

The human faculties, then, which are involved in the production of modern wealth are not, as the orthodox economists persist in saying, and as the socialists who follow Marx say, of one kind—namely those embodied in the individual task-work of the average individual, or, as it is called, labor. They are of two kinds; and it is impossible to reason intelligibly about the productive process so long as we persist in calling both by the same name. We might as well call the French and the Germans by the common name of soldiers, and then try to write an intelligible history of the Franco-Prussian war.

For these directive faculties, so essentially distinct from labor, it is difficult to find an entirely satisfactory name. In default of a better I have, on former occasions, applied to them the name of Ability and this will serve our purpose now—especially as the name of Ability has, of late years, been accepted by many of the more thoughtful socialists themselves as representing certain talents which, though they have never properly analyzed them, they are beginning to recognize as different from ordinary labor.

And now having come thus far—now that we have seen that modern wealth is due not to labor alone, but also to the action of the Ability by which labor is directed, a new question arises, which will carry us onward from the consideration of labor to the consideration of capital. The question to which I refer is the question of the practical means by which the control of Ability over average labor is exercised; and it is in a consideration of the nature of capital that we shall find the answer. Here again we shall find that the orthodox economists are defective, and that their analysis of capital is just as incomplete as their analysis of human effort.

Capital is divided traditionally into two kinds, fixed, and circulating. By fixed capital is meant machinery; by circulating capital is meant, as Adam Smith says, the stock of consumable commodities which the manufacturer produces, or which the storekeeper or the merchant buys, in order to sell them at a profit, whereupon they are replaced by new ones. Now fixed capital, or the machinery of the modern world, is itself the result of Ability directing labor. It offers us no clue to the means by which the direction is accomplished. Nor does circulating capital, as Adam Smith understands it, throw any more light upon the subject. The capital which concerns us here is capital of a third kind, which resembles circulating capital, or stocks of goods sold to the public customer, in some ways; but

in one way is essentially different. It consists of goods which are the general necessities of life; but instead of being sold to the outside public at a profit, they are virtually distributed by the manufacturer to a special group of laborers on conditions.

So long as labor is undivided, or divided only in such a rudimentary way that each family can practically supply all its own wants, the necessities of life come to the laborer directly. The kind of capital with which we are here concerned, and which we may call wage-capital, makes its first appearance when the division of labor so advances that each laborer or laboring family makes only one of the dozen commodities which it requires to support existence. Under these conditions, the products of labor, which enable the laborer to live, no longer come to any one laborer directly. They have to come to him in the form of assorted commodities, which are portions of the direct products of a variety of other laborers. His own products must pass out of his own hands, and come back to him in the form of equivalents, through the hands of some distributor. For this distributor, who at first is no more than a merchant, the commodities which thus pass through his hands are circulating capital in the exact sense which Adam Smith gives to the phrase; but they are not wage-capital. They become wage-capital only when the distributor, instead of merely exchanging them, begins to turn his attention to the manner in which they are produced. So long as he is merely a merchant, he says to the producer of so many yards of cloth, "I will give you so many boots, or stockings, or so much tea or sugar, in exchange for them." But when he turns his attention from the exchange to the actual process of production, what he says to the cloth-maker is this, "I will give you an even larger measure of the various commodities which you require, on condition that you produce your cloth in a manner which I myself will prescribe to you."

Here we see, in its essence, the function of wage-capital. The possession of it means the control by one man of the necessities required by many; and it enables such a man by thus making the distribution of these necessities conditional, to impose the industrial guidance of his own knowledge and intellect on the manual operations of those amongst whom he distributes them.

And here we see that Marx was at once right and wrong, when he said that the essence of modern capitalism was monopoly. It is a monopoly—a monopoly which enables the few to impose their own directions on the manual activities of the many; but it is not primarily, as Marx thought, a passive monopoly of the modern implements of production, which only arises from it as a consequence. It is primarily a monopoly of the products which are essential to daily life. We can see that this is so by turning to the account which Marx gives of the historical beginnings of capitalism about the beginning of the fifteenth century, when the implements of production began, he says, to fall into the hands of the few. If, for instance, to take one trade—that of weaving—capitalism means nothing but the mere act of acquisition, the capitalists in the reign of Henry VIII would have got into their possession nothing but a number of the hand-loom then in use; they would have imposed their own terms on those who desired to use them; and there the matter would have ended. If capitalism meant no more than this the looms of to-day would be the looms of four hundred years ago. The passive ownership of machines does nothing to improve their construction. But the salient feature of production since the rise of the capitalistic system has been the fact that since then the means of production have been revolutionized—that the old looms, in proportion as they have been monopolized, have disappeared, and their place has been taken by others, whose efficiency,

as compared with theirs, is that of monstrous Titans as compared with the efficiency of pigmies. The monopolists, in short, in the weaving industry, have not said to the laborers, "You shall either give us most of the cloth you weave, or you shall not have access to the hand-loom with which you weave it." They have said, "You shall weave no cloth unless, under our directions, you first construct looms of a type as yet unknown to you, which will enable you to weave fifty yards in the time which it now takes you to weave only one."

Modern capital, I repeat, is primarily wage-capital, such capital as machinery being the direct result of its application; and wage-capital is productive not in virtue of any quality inherent in itself, but because it is the reins by which the exceptional ability of the few guides the labor, skilled or unskilled, of the many. And here, to show you how imperfectly this fact has been apprehended by the orthodox economists, I may mention that some of them, groping after the truth, have proposed to take cognizance of talent under the name of personal capital. This is an attempt to express the truth, but it is an attempt which merely confuses it. To speak of Ability as personal capital is neither more nor less than to identify the coachman with the reins; the fact being that the latter are useful or useless only in accordance with the manner in which the coachman handles them.

The enormous augmentation of wealth, then, which is characteristic of modern times, is not due to average labor, though average labor is essential to it. It is due, in its distinctive magnitude, to the increasing concentration of intellect, knowledge, and other rare mental faculties, on the process of directing this labor in an increasingly efficacious way; and capitalism is primarily the means by which this direction is effected. No intelligent socialist, when the matter is thus put plainly, can possibly deny this. Let anyone consider, for ex-

ample, one of the great steel bridges which now cast their single spans over enormous estuaries of water. These structures are fossil labor, doubtless; but they are, in their distinctive features, not fossil labor as such. They are fossil science, fossil chemistry, fossil mathematics, fossil mechanics—in short, fossil knowledge and intellect of a degree and kind which we shall not find existing in one mind out of a thousand; and labor conduces to the production of these structures only because it submits itself to the guidance of these intellectual leaders. And now let me call your attention to this point. Although the condition of things is obviously what I have just described, we have here the precise condition of things against which socialism, as a popular creed, protests. Concurrently with their demands for a larger share in the world's products, the socialists demand a radical change in the whole organization of production. They demand what they call the emancipation of labor; and by the emancipation of labor they mean emancipation from what they have been taught to call wagedom. What this cry means we are now able to see clearly. It means, if it means anything, the emancipation of the average mind from the guidance of any mind that is in any way superior to itself, or is able to enhance the productivity of an average pair of hands.

Such being the case, the curious thing is this—that these very socialists, who are so loud in demanding that labor should be thus emancipated, show us, whenever they are asked for any constructive policy, that they too admit the necessity of direction and control themselves. They do not propose that men shall relapse into the primitive condition in which each man works with his hands, as best he can, in isolation. If they are asked for an illustration of the kind of system which they would introduce if they got their way, they invariably refer us to a State institution like the post-office. The intellectual simplicity of the men who argue

thus is astonishing. If all production were organized like a State post-office, there would, it is true, be no private capitalist; but would the laborer have achieved the economic freedom, the emancipation, which socialists at present take so much pleasure in talking about? The laborers would, on the contrary, be unfree and unemancipated in precisely the same sense in which they are unfree and unemancipated now; and to an even greater degree. Let us take the case of a postman, or a sorter in the State post-office. Each of these has his special task allotted to him, which he is bound to perform. The most ardent socialist in the world would very soon join in denouncing the principles of economic emancipation if a postman, who happened not to approve of socialism, threw the socialists' letters into the river instead of putting them into his letter-box. In what conceivable way, then, has a postman employed by the State any more economic freedom than the messengers of a private firm?

Nor again does the manner in which the labor of the State employee is remunerated, and by which the performance of his duty is secured, differ in any way from the wage-system which prevails in a private firm. Conformity to the directions given him by some organizing authority is the condition on which this remuneration is awarded him; and though Marx and his disciples propose to substitute labor-checks for dollars, this is merely the wage-system called by another name.

Many thoughtful socialists, though they have not been anxious to proclaim the fact too loudly, have perceived this fact themselves, and have consequently been endeavoring to formulate another scheme, by which the requisite industrial conformity to an organizing authority may be secured, and which yet will eliminate the wage-system, not only in name, but in fact. Now if we look back into the past history of mankind we shall find that there actually are two alternative systems by which such conformity may be,

and has been, secured. One of these is the *corvée* system, prevalent in the middle ages; the other system is that of slavery. Under the *corvée* system the peasants, who were the most numerous laboring class, owned the lands on which they lived, and were thus able to maintain themselves by working at their own discretion; but they were compelled by their tenure to place a certain part of their time at the discretion of this or that superior, and to work according to his orders. The public roads in France were once made and kept in order thus. If only a number of independent peasant proprietors could be forced to give half their time to the proprietor of a neighboring factory now, the entire use and necessity of wage-capital would, in theory at least, be gone. The same thing is true of slavery. Like the peasant proprietor who gives part of his time to his overload, the slave is provided with the necessities of life independently of his obedience to the detailed orders of his master. His master feeds him just as he would feed a horse; and industrial obedience is ensured by the application of force.

These two coercive systems—the *corvée* system and the slave system, are the only alternatives to the wage-system that have been found workable in the whole past history of the world. Let us now turn to the alternative which the latest school of socialists is now proposing as an alternative in the dreamed-of socialistic future.

I will turn to a work called Fabian Essays, the writers of which include the best known and best educated socialists in England, amongst them being Mr. Sidney Webb, favorably known as the author of a History of Trade Unionism, and Mr. Bernard Shaw. This volume has been republished in America, and to the American edition was prefixed a special preface. In this preface it is stated, with regard to the apportionment of the means of subsistence generally, that the truly socialistic scheme is one which would absolutely abolish "all

economic distinctions and prevent the possibility of their ever arising again"—and would abolish them how? "By making," says this writer, "an equal provision for all an indefeasible condition of citizenship, without any regard whatever to the relative specific services of different citizens. The rendering of such services, on the other hand," the writer goes on, "instead of being left to the option of the citizen, with the alternative of starvation, would be secured under one uniform law, precisely like other forms of taxation of military service."

Such, then, is the alternative to the wage-system put forward as the last word of the most intelligent socialists of to-day; and an escape from the wage-system, beyond a doubt, it is; but an escape into what? It is neither more nor less than an escape into one of these systems which I have just mentioned. That is to say, it is an escape into economic slavery. For the very essence of the position of the slave, as contrasted with the wage-paid laborer, in so far as the direction of his industrial actions is concerned, is that he has not to work as he is bidden in order to gain a livelihood; but that his livelihood being assured to him, no matter how he behaves himself, he is obliged to work as he is bidden in order to avoid the lash, or some similar form of punishment.

I have touched upon this question, not for the purpose of criticising in an adverse sense the methods by which the masses are to be coerced into the performance of their duties, but merely for the purpose of illustrating what I have already said with regard to the productive functions of capitalism, as it exists to-day. Capitalism, regarded under its productive aspect, is essentially a device for imposing, by means of wages given or withheld in accordance to the industrial obedience of the wage-earner, the intellect and the knowledge resident in an exceptionally gifted minority, on the manual operations of the average majority of mankind; and when socialists talk about emancipation and economic free-

dom, the only meaning which their language can really bear is the emancipation of the average man from the aid and guidance of any intellect that is in any way superior to his own. Further, when we ask the socialists to explain their constructive programme, we find that this talk about freedom is privately repudiated by themselves, and that they propose either to continue the wage-system under a thin verbal disguise, or else to abolish the wage-system, and put universal slavery in its stead.

LECTURE III.

The cardinal fact on which I insisted in my last Address was this, namely, that popular socialism which seeks to realize itself by an exclusive appeal to the majority, bases itself on a theory of production according to which all wealth is the product of those faculties which the majority must always exercise in order to sustain life, in respect of which all normal men are substantially, if not absolutely, equal, and which in all socialistic discussions are indicated by the common name of labor—the labor of an average pair of hands, directed by an average mind—the mind of the laborer himself. And this doctrine is emphasized by the further more detailed contention that the value of every commodity is determined by the number of hours of average labor embodied in it, one hour of the labor of any one man being equal in economic productivity to one hour of the labor of any other man. I pointed out, further, that this doctrine, in spite of many objections to it which ordinary common sense suggests, has continued to be accepted by thoughtful people, who otherwise might have been expected to reject it, because it really is, as Karl Marx claimed that it was, deducible from the analysis of production which still finds its place in the text-books of the orthodox economists. The economists recognize land, or the powers of nature, and also capital, or the nonhuman implements of production, as factors in the productive process; but the only human agency which they recognize in living operation, they, like the socialists, indicate by the name of labor.

Such being the case, what I endeavored to make evident was that this mass of human effort which the orthodox economists, and the socialists following them,

grouped together under the common name of labor, is in reality not one sort of effort, but two; that these two differ from one another not only in degree but in kind—in the essential method of their operation; and that if we apply the name of labor, as the socialists do, to one—namely, to average manual industry—it is absolutely necessary for the purposes of any thought and argument, to apply some other and contradistinguishing name to the other. To the other I proposed, in a special and technical sense, to apply the name Ability; and the essential difference between the two I pointed out was this, that whereas labor meant the faculties of the individual applied to his own labor, Ability consists of the intellectual faculty of direction, applied by one man simultaneously to the direction of the manual labor of any number of other people.

This was the substance of what I urged when I spoke last; and for the sake of clearness I have thought it well to repeat it. I will now proceed to a further point—a point singularly interesting and instructive, and one which to many people will very possibly be surprising. When I began with discussing what definite socialism really is—what it is as a scheme of society radically different from that now existing—I identified it with the economic theory of Karl Marx, who is called by the socialists still the father of scientific socialism, and whose theory is still the basis of all popular socialistic agitation. During the last fifteen years, however, socialists of the more thoughtful kind have been compelled in intellectual honesty, and also by the force of facts, to recognize and admit that the so-called science of Marx was by no means so complete and invulnerable as it was supposed to be at first. His doctrine that ordinary labor is the sole productive agency has, of late, in a cautious and not too definite way been abandoned by them; and they have actually come to admit as a true, though unanalyzed, generality, the truth on which I am myself insisting—namely, that in the pro-

duction of modern wealth a second factor is involved, which is other than manual labor, and which, somehow or other, must be placed in a different category. They have come to admit, further, that, whereas labor is the faculty of the many, this other faculty of production is essentially the faculty of the few; and, lastly, the more thoughtful socialists who have expressed themselves in the English language have agreed with me in calling this faculty Ability.

Among the socialists of to-day who have taken this new departure it will be enough for me to mention Mr. Bernard Shaw and his close ally in the dissemination of socialistic literature, Mr. Sidney Webb. Thus, of two men dealing with the same labor and capital, one, says Mr. Shaw, will, in accordance with his ability, insure the production of five times as much wealth as the other. Indeed, he adds in a sentence singularly inconsistent with his formal gospel as a socialist, but singularly consistent with his success as an individual playwright, "Socialism will be the paradise of Ability." Here again is a statement by Mr. Sidney Webb, to which I shall have occasion to refer more particularly hereafter. When socialism has disposed, he says, of the monopoly of capital, there still remains to be dealt with one monopoly more—the monopoly of "business ability." How business ability operates he makes no attempt to inquire; but he recognizes its importance, all the same, as an element distinct from the labor which is alone recognized by Marx.

I propose, then, to call the socialists of the school of Mr. Sidney Webb, which represents a distinct advance on the crude socialism of Karl Marx, by the name of the New Socialists. It must, however, be observed that, though they have to a great extent modified the basis on which the socialism of Marx rested, they insist that they have in view the same practical end—namely, a complete redistribution of wealth in such a way that every man shall receive an absolutely

equal portion. I have already quoted a passage in which Mr. Webb insists on this. No scheme, he says, of society is truly socialistic which does not abolish all economic inequalities, and which will not do away with the possibility of their ever arising again.

Now such being the case, the New Socialists—the more thoughtful socialists of to-day, have come to perceive that they have a new task before them. The original argument of socialism—and it still remains the only popular argument—was that the majority, or the manual laborers, ought to possess all wealth, and possess it in equal quantities, because they alone produce it, and each laborer produces the same amount. Popular socialism, in short, is an appeal to the general principle of justice, which is assumed as self-evident, that each man is entitled to enjoy whatever he himself produces. But now that the New Socialists, such as Mr. Webb, have been forced to make the admission that the ability of the few is a productive agent, no less than the labor of the many, and that consequently some men contribute more to the productive process than others, their main preoccupation of late has been to formulate a line of argument by which the practical effect of their recognition of ability may be minimized, and the able few, though they produce more than the many, may be shut out from any unequal claim on the products. I am, therefore, going to ask you to consider the kind of reasoning to which the New Socialists, for this purpose, betake themselves. In certain respects it forms a very interesting study; for it mainly consists of arguments which they found already prepared for them by a variety of distinguished thinkers who had nothing to do with socialism.

These arguments divide themselves into four classes. They all turn on the nature and the effects of those superior efficiencies which distinguish the few from the many, and to which, in the economic sphere, we are giving the name of Ability.

One class of arguments consists in the contention that, though all the advances made in man's productive powers may have originated in discoveries made originally by exceptional men, yet each discovery, when made, really becomes common property, and the increment due to it would, apart from artificial restrictions, pass over to the human race at large.

A *second* class of arguments insists that the superiorities in question are really much smaller than their effects would seem to indicate, that they are also much more numerous, and that were opportunity equalized, the supply of them would be greater than the demand.

A *third* class of arguments, while admitting that the inequalities between man and man are really great, and that men of the highest efficiency are not any commoner than they appear to be, insists on the fact that they are effective only through their environment, which itself is what it is only through the ages that have preceded it.

A *fourth* class of argument, which is a variant of this last, deals with the nature of the individual superiorities themselves, and insists on the fact that they are due to the development of the community in the past, and should therefore be at the disposition of the whole community in the present.

I will now take these four classes of argument in order: and we shall see that though they all of them contain an element of truth they are all alike vitiated by imperfections and curious confusions of thought which, in their present application, render them practically valueless.

Let us begin with the argument, so constantly urged by socialists, that inventions and discoveries once made become common property. In certain cases this is true. The best example of such a case is the discovery of fire. Even if we suppose that the first man who discovered how to light a fire was incomparably cleverer than his fellows; yet as soon as the method of lighting

a fire was made known to them the fool could light a fire just as well as the genius. But the inventions, the discoveries, and the knowledge which thus become common property are only those of the simplest, and of a very limited kind. In proportion as knowledge advances, and its application to industry becomes more various, complex, and efficacious, industrial inventions and discoveries no more become common property than assimilated and encyclopedic knowledge about all conceivable subjects becomes the property of everybody who buys an encyclopedia; or than Newton's mastery of mathematics communicates itself to every urchin who can do an addition sum. It is perfectly true that the acquirement of new knowledge by one discoverer enables other men to acquire it who might never have acquired it otherwise; but as the acquisition of the details of knowledge increases, the number of details involved in the processes of progressive industry increases likewise, is accompanied by an increased difficulty in acquiring and assimilating all; and, that this is so, is illustrated by the notorious fact that so many of those preëminent as mere speculative inventors and discoverers are notoriously helpless in giving their inventions and discoveries effect in the world of actual industry. Or to turn to the case of men of ordinary intelligence, any mechanic could, after half an hour's attention to the subject, comprehend the general principles involved in a cantilever bridge; but to construct one of the steel bridges of enormous span, which now throw their arms across our great rivers and estuaries, demands an assimilation of multitudinous knowledge which taxes the genius of the greatest engineers of the day. For the practical man, no less than the philosopher, living knowledge lives only in the individual mind; and it exists there only in proportion as the living mind combines a multiplicity of facts into an organic and operative whole. In other words, the kingdom of knowledge is like the kingdom of Heaven. From generation to

generation the violent take it by force; and it is only the violent—or the men of exceptional capacity—who are able, in any comprehensive way, to take possession of it at all.

And now let us come to the second class of arguments, which seeks to eliminate the difference between the exceptional mind and the ordinary, not by insisting that the latter appropriates the triumphs of the former as soon as these have been accomplished, but by representing the difference between the two as being, in its nature, slight, and as due to the accidents of opportunity rather than to natural differences. I will take this contention as expressed in a philosophical form by two eminent thinkers outside of the socialistic camp. The first of these shall be Mr. Benjamin Kidd, whose work "Social Evolution" has probably enjoyed a wider circulation than any work of the kind that has been published during recent times. Mr. Kidd says that the smallness of the differences between one man and another is proved by the fact that, whenever any great discovery or invention has been made, it has nearly always been made simultaneously by several persons working independently of one another, the man who gets the honor of the discovery or the rewards arising from the invention owing his fortunate position to luck at the last moment. Thus, says Mr. Kidd, "the differential calculus, the invention of the steam engine, the methods of spectrum analysis, the telegraph, the telephone, as well as many other discoveries," have all been arrived at in this way. The name of one man is popularly associated with each of them, but in each case there have been so many others whose achievement has been the same as his. The class of fact to which Mr. Kidd alludes is notorious; but how does it tend to substantiate the proposition which he aims at proving—that the differences between exceptional men and the mass of their contemporaries is slight? The fact of his thinking that it

does so is a most curious and instructive illustration of the carelessness with which many of the most honest and serious thinkers will allow themselves to reason when they deal with social subjects. The fact that half a dozen, or even twenty or thirty men should arrive at the same time at the same discoveries independently no more goes to show that all men are approximately equal in intelligence than the fact that half a dozen race horses pass the winning post within a few seconds of one another proves that every cart horse or donkey that moves upon four legs has an equal chance of winning the Derby or the Grand Prix. That more men than one should reach at the same time the same discovery independently is precisely what we should be led to expect when we consider what that discovery is. The facts of nature which form the subject matter of the discoverer are in themselves as independent of those who discover them as an Alpine peak is of those who attempt to climb it; and the fact that a number of men reach the same discovery at once does no more to suggest that the mass of their contemporaries could have reached it than the fact that half a dozen of the most intrepid cragsmen in the world reach during the same year some hitherto unascended summit proves that the same feat could have been accomplished by any man or boy in the street who would be made sick and giddy by a precipice of twenty yards.

We will now take another exposition of the same doctrine, and this shall be from a writer whose advocacy of it is far more surprising than Mr. Kidd's. I refer to Lord Macaulay. In Macaulay's criticisms of the English poet Dryden there occurs the following passage: "It is the age that makes the man, not the man that makes the age. The inequalities of the intellect, like the inequalities of the surface of the globe, bear so small a proportion to the mass that in calculating its great revolutions they may safely be neglected." No doubt for those who study the revolutions of our planet

as astronomers the inequalities of its surface are small and practically negligible; but because they are nothing to the astronomer it does not follow that they are nothing to the engineer and the geographer. And a similar observation holds good with regard to the inequalities of individual efficiencies, when considered in connection with practical economic problems. The practical economist, and more especially the socialist, does not look at the human race from the remote and detached standpoint of the social astronomer. They look at it from the near standpoint of the social geographer and engineer. They—and especially the socialists—are not content to concern themselves with the human race as a whole. They are concerned with advancing certain claims on behalf of one portion of it as contrasted with another portion. To the astronomer the Alps may be a mere meaningless excrescence; but they were not so to Hannibal, or to the makers of the Mont Cenis tunnel. What to the astronomer are all the dikes of Holland? But they are everything to the Dutch between a dead nation and a living one.

So much, then, for the philosophic or speculative attempts at minimizing the degrees and importance of the intellectual inequalities of mankind. In the purely speculative sphere they may have some meaning; but in the practical sphere they have none.

There still remains, however, an argument, urged with the same purpose, which is very frequently used, and which bases itself not on theories, but on assumed facts. I mean the argument that, no matter how considerable the interval may be between the congenital powers of the exceptional man and the average man, the former are really much commoner than they seem to be, and that with an extension of opportunity the supply of them would be indefinitely increased. Now the first thing to note is that, even were this contention true, it would not point to the possibility of ever establishing the economic democracy essential to the

Utopia of the socialists. It would merely point to the possibility of establishing a more numerous economic oligarchy.

The question, however, which I here will ask you to consider is not the consequences of this contention, if we admit it, but the question of how far it receives any countenance from facts. Accident and opportunity may do much in individual cases to make one man of talent succeed, and another, whose gifts were congenitally equal, fail. But what here concerns us is not the exceptions, but the rule. In a broad and general way, does the equalizing of opportunity result in an increased development of the higher forms of talent? In connection with this question we have abundant experience to appeal to. Let us take any college of music. The opportunities of all pupils, when once admitted to it, are equal; but out of every thousand aspirants who profit by the same instructors, does every year provide us with a hundred Melbas or Paderewskis? An even better example, perhaps, is provided us by the French army, in which, since the days of Napoleon, every private has carried the field marshal's baton in his knapsack. Has the past century in France produced a crop of Napoleons? Look at the career of Boulanger. If ever opportunity was offered a man, opportunity was offered to him. He had everything in his favor except the power to make use of anything. No doubt the extension of opportunities of a certain kind may enable all to acquire powers which were once the monopoly of the few. Thus to-day almost everybody possesses the power of writing; but we have not produced millions of great writers—thinkers like Kant or Bacon, poets like Goethe, or novelists like Dickens or Balzac.

Let us now pass on to that further class of arguments which aim at minimizing the importance of exceptional talents by contending that they would be wholly ineffectual apart from their social environment. And here

again we are not dealing with socialistic thinkers only. Indeed, the writer who has expressed this argument with most force and precision was, so far as his personal intentions went, one of the most bitter opponents of the entire programme of socialism. I refer to Herbert Spencer. And yet, curiously enough, no one has done more to give currency to the particular argument now in question than he. Let me give you one of the most remarkable passages in which he puts this argument forward. The illustration which he takes is not strictly an economic one, but literary. But it applies to economic production no less than to literature. Let us, says Herbert Spencer, take the case of Shakespeare. "Given a Shakespeare," he says, "and what dramas could he have written without the multitudinous conditions of civilized life around him—the various traditions descending to him from the past, without the language which a hundred generations had developed and enriched by use? A Laplace," he adds, "could not have got very far with his '*Mécanique Céleste*' unless he had been aided by the slowly developed system of mathematics, which we trace back to its beginnings among the ancient Egyptians." Herbert Spencer could not have put the socialistic view of the matter more clearly; and the answer to the question which he raises is not only obvious, but contains the solution of the entire problem which we are discussing. It takes the form of a counterquestion. Given the conditions of civilized life, the traditions of England and its language as they were at the time of Queen Elizabeth, how could all these have produced dramas like "King Lear" or "Hamlet," unless England had happened to possess that unique phenomenon, a Shakespeare? All of Shakespeare's contemporaries possessed the same environment that he did, the same language, the same past; but out of these conditions one man alone was capable of eliciting the results elicited by Shakespeare. And the case with Laplace and his great work is similar. The real

explanation of the whole difficulty is this. Everyone living at the same time, and in the same society, is an inheritor of the past and an absorber of the surrounding present; but they inherit the past and they absorb the present in very different degrees. They inherit the knowledge of the past only according to the degree in which they acquire and vitalize it; the language of the past only in accordance with their own power of manipulating it; the whole gifts of the past and present only in accordance with their power of making these gifts their own. If we want to compare one age with another, then Mr. Spencer's philosophizing is at once just and significant. If we want to compare one man of the same age with another, it is wholly beside the mark, and has no significance whatsoever.

And now it remains for us to consider one argument more, which, taking the existence of exceptional talent for granted, aims at eliminating any exceptional claims that may be founded on it. I will give it to you as formulated, in all solemnity, by Mr. Sidney Webb—and I could not take a more favorable example of socialism throwing down an intellectual gantlet to the world. Mr. Webb is one of those who, though they reject the doctrine of Marx that all productive effort is absolutely equal in productivity, and admit, on the contrary, as we have seen already, that behind all monopolies of capital or the means of production there remains the personal monopoly of what he calls business ability, maintains nevertheless no less stoutly than Marx did that nothing is socialism which does not reward all men equally, though it must be conceded that some men produce incomparably more than others. In other words, in proportion as a man is talented he is to get less than he produces; and in proportion as he is stupid he is to get more. Mr. Webb admits that this looks like a moral paradox, and that it requires some intellectual justification; and the justification put forward by himself and the New Socialists he sums up as fol-

lows: Exceptional productive ability has no right to any exceptional share of the products, because—and here I am giving you Mr. Webb's own words—"the special ability or energy with which some persons are born is an unearned increment due to the effect of the struggle for existence on their ancestors, and consequently, having been produced by society, is as much due to society as the unearned increment of rent."

Now here we have one of the most advanced utterances of the New School of socialists, which claims to have raised socialistic doctrine to its highest intellectual level; and we will pay it the compliment of examining it with as much care as it is stated. The idea involved in it is very easy to grasp. The superiority of the man of ability is an inheritance from his superior ancestors; but his ancestors would not have had the superiority which they have handed on to him if it had not been developed in a struggle with contemporaries inferior to themselves. The inferiors were a strop or hone on which the faculties of the superiors were sharpened. The inferiors, therefore, may claim, in virtue of their very inferiority, to have been the joint authors of the superiority of the superiors; and the whole body of society, and not the superiors alone, may claim an equal share in the products of these contemporary men of ability who thus owe their powers to the whole of society in the past. Now to this argument, just as to that of Herbert Spencer and of Macaulay, we may concede a certain speculative truth. We may accept it, indeed, as a speculative platitude; but it has no more application to the facts of practical life than has Macaulay's argument that, because the inequalities of the earth's surface have no significance for the astronomer who is dealing with the earth's revolutions, mountains and seas and valleys have no effect on the life of nations. In order to see this we need merely follow Mr. Webb's example and carry his own logic a little further than he has done himself. If the inferior competitors who

have been beaten by the Ability of the superior are to be credited with having helped to produce the efficiencies by which they were themselves defeated, the French might have said to the Germans at the end of the Franco-Prussian war, "You acquired by fighting us the experience which has enabled you to conquer us. Your strength, therefore, in reality belongs to us, not you; and hence justice requires of you that you give us back Alsace."

And other absurdities follow more fantastic even than this. If the able man of to-day owes his exceptional productivity to society as a whole, it is to society as a whole that the idle man owes his idleness, and the stupid man his stupidity, and the dishonest man his dishonesty; and if the man who produces much is able to claim with justice no more than the man who produces little, the man who is so idle that he shirks producing anything, may with equal justice claim as much wealth as either.

Mr. Webb's argument, indeed, is a concentration of that radical error by which all the other arguments, which we have just been considering, are vitiated—namely, the confusion between what is true for the philosopher, who is considering humanity in the mass, and what is true for the practical man, whose sole practical concern is with the different individuals and classes of which the mass is composed; and Mr. Webb's argument is here the most valuable of all of them as showing the desperate absurdities into which intellectual socialism is being driven to-day, in order to hide from itself the consequence of these productive inequalities between men, which in common sense and honesty it can no longer deny.

In spite, then, of all that socialistic logic can do, the hard fact remains that the monopolists of business Ability do, as a practical fact, in a personal and individual sense, that which marks them off from the majority as a practically separate class. But even if we suppose

all this to be admitted the arguments open to the socialists are not ended yet. There are others which, if not exactly enabling them to contend that the able minority are to be credited with the production of no more wealth than the majority, yet enable them to obscure the question of what the relative productivity of the two classes is; and these arguments are specially deserving of examination, firstly, because they have the authority of the most celebrated of the orthodox economists—namely, Mill; and secondly, because, by a consideration of the fallacy involved in them, we shall best arrive at a realization of the hard practical truth. These arguments, reduced to their simplest form, come to this—that even if we admit that labor, if undirected by Ability, would produce no more than a fraction of the wealth which is produced now, yet Ability in the absence of labor would produce absolutely nothing. And Mill, in the opening chapter of his treatise on political economy, deals with a situation of this kind in a way which is eminently applicable to the exigencies of socialistic theory. “Some thinkers,” says Mill, “have debated whether nature or land gives more assistance to labor in one kind of industry than in another; and he goes on to contend that this question is useless and unanswerable. When two conditions,” he says—and this is the classical passage to which I would specially direct your attention—“are equally necessary for producing the effect at all, it is unmeaning to say that so much of it is produced by one and so much by another. It is like attempting to decide which of the factors, five or six, has most to do in the production of thirty.” And if this contention is applicable to nature and human industry as a whole, it would appear to be applicable to labor and the faculties by which labor is directed, in order to produce wealth of a given amount and quality—or what Mill would speak of as “the effect.”

Mill himself brings it forward with special reference

to agriculture. Let us, he says in substance, take the products of any farm—symbolizing these, for convenience' sake, as one loaf of bread per acre; and it will be obviously unmeaning to inquire which produces most of each loaf—the field or the farm laborers. Now if there were only one farm in the world, and every acre of this, when the same amount of labor was applied to it, would always yield precisely the same produce—that is to say, one loaf—Mill's assertion would be true. The actual state of the case, however, though Mill failed to see this, is different in one essential particular. Acres vary very greatly in quality; and if we take four acres of differing degrees of fertility, and suppose them all to be cultivated by an equal amount of labor, we shall find if the poorest yield a product per acre of one loaf, the others, according to their superiority, will yield a product of two loaves, of three, of four. Here, the labor being in each of the four cases the same, and the additional loaves resulting in three cases only, it is obvious that the differences between the smaller output and the larger cannot be due to the labor, and yet it must be due to something. It must, therefore, be due to certain qualities present in the three superior acres, and not present in the inferior. In other words, although, in producing the loaves, the parts played respectively by land and labor are indefinite and incommensurable, precisely as Mill says they are, so long as the land labor and the product or the effect remain the same, these parts become measurable immediately that the effect begins to vary, and one of the causes, and only one of them, varies also.

And the same criticism is applicable to the production of wealth generally, and the quantities of it which are referable to manual labor on the one hand, and the various forms of Ability by which labor is directed on the other. If man for man the industrial population of a country always produced the same total output of wealth, if relatively to its population the country never

got richer, and future laborers and the directors of labor followed always the same routine, the two causes being unvarying, and the effect unvarying also, it would be, as Mill contends, at once impossible and unmeaning, to say that one of the necessary causes contributed more to the total effect than the other. But the principal feature of the modern world which the economist has to consider, is not what Mill calls the effect, or a product which annually repeats itself, but is a series of different effects, or outputs of wealth, which, relatively to the amount of average labor involved in them, has, decade by decade, been increasing for the last hundred and fifty years. Now the capacities of the human being, in point of manual strength and dexterity, have hardly increased since the days of the Greeks and Romans. The handicrafts of the ancient world—as we see by the work of the masons who built the Parthenon and the Coliseum—were not inferior to the handicrafts of the best manual workers of to-day. The average labor, therefore, of any thousand men has certainly not changed its quality in the course of the past five generations. But within that time, in the civilized countries of the world, the output of wealth per thousand of the men engaged in industry is from three to five times as great as it was at the beginning of the period in question. Now, however this augmented effect it produced, even the New Socialists, such as Mr. Sidney Webb, admit that it has two causes—namely, Ability and average labor; and that it is not due, as Marx said, to average labor alone. But, since the average manual power of the average man's hands has undergone no change during the short period in question—since the mere manual labor of a thousand men to-day is not different from the labor of a thousand men in the days of our great-grandfathers, and since, on the other hand, it is no less obvious that the Ability by which labor is directed has undergone changes of a very important kind—among these being its increased

concentration on the processes of productive industry—it is obvious that the excess of wealth produced per head of the industrial population now over that produced some five generations ago, is due to the cause that has undergone a marked variation, and not to the cause which has practically remained unaltered. Let us turn back to the illustration given by Mill. It is meaningless to inquire which of the two factors, five and six, does most to produce the result thirty. What Mill overlooked was that the kind of result we are concerned is not a result which can be represented by one number, such as thirty, but a result which was thirty yesterday, and to-day has risen to sixty, and will be before long eighty, ninety, or a hundred. The question, therefore, is not whether five or six does most to produce thirty, but whether, when the result is raised from thirty to sixty, the increase is due to five, or the stationary number multiplied, or the change in the multiplying number, which will have risen from six to twelve. When the question is put thus, the answer is unmistakable. Labor, or the number five, is in short the industrial unit, and directing Ability is the number by which its efficiency is increasingly multiplied—the increment being due to the multiplying number which increases, not to the number multiplied, which remains virtually the same.

Let me give you a simple illustration. If there were only one shipyard in the world, and this always contained one thousand workmen, always working under the direction of the same master, and if it always took these men one year to build a vessel of a given size and class, we could not divide the vessel into so many separate parts, and say that so many were produced by the laborers, and so many by the men directing them. But if a new master builder for one year took the place of the old, and if the same workmen, working under the new master, produced in that year not one vessel, but two; and further, if in the year following the new

master disappeared, and the old master came back again, and the year's work once more resulted in the production, not of two vessels, but of only one as before, then we should be able to say as a matter of common sense with regard to the year during which the two vessels were built, that the second vessel, whatever might be the case with the first, was due wholly to the Ability of the master by whom the labor of the workmen was directed. In other words, the Ability of the director of labor produces as much of the product, or of that product's value, as exceeds what was produced by the laborers before their labor was directed by him, and ceases to be produced by them any longer as soon as his direction is withdrawn.

That this increment of excess cannot, in any practical sense, be ascribed to average labor will be yet more apparent if we suppose that the production of it was not beneficial, but criminal. I can explain my meaning best by taking an illustration from the sphere of political rather than of economic activity. A hundred Russian workmen, all of them loyal to the Czar, are, we will suppose, employed by a citizen of Moscow to enlarge a subterranean cellar, and another hundred are employed to fill this cellar with wine cases. A week after the work is completed the Czar is driving by outside, and as he passes the citizen's house is killed by an explosion from below. It is then apparent that the so-called cellar was a mine, and that the so-called wine cases were really filled with dynamite. Now if all those concerned in the consummation of this catastrophe were tried, it is perfectly evident that the part played by the workmen would be sharply separated from that played by the man employing them, and that, although no doubt they contributed something to the result, they contributed nothing to its essential and criminal elements. It is equally evident that the increment of wealth resulting from the obedience of laborers to injunctions which do not emanate from themselves is

produced by the man who gives the injunctions, and not by the men who obey them.

The absolute practical validity of this method of argument and calculation will be yet more apparent if we consider the nature of practical reasoning generally when it takes the form of a discussion as to causes and effects of any kind. In the strict sense of the word "causes," it would plainly be quite impossible to specify fully the causes of any effect—even the simplest. The motion, for instance, of a cricket ball when it leaves the bowler's hand would, in any discussion of the game, be said to have been caused by the action of the bowler's muscles; but the entire antecedents and conditions which have rendered this effect possible comprise not only the action of his muscles on this special occasion, but his whole past training as a cricketer, the history of cricket itself, his progenitors from whom he derived his constitution, the law of gravitation, and, indeed, we may say the whole history of the physical universe. It would be impossible and absolutely useless to take cognizance of all these. When we say, with regard to any practical matter whatsoever, that any one thing is the cause of anything else, we are always selecting that cause out of an infinite number on which, for the purpose in hand, it is practically necessary that we should insist; and the cause on which it is necessary to insist is always distinguished from the others by the fact that, under the circumstances in view, it is a cause or condition which may or may not be present—which we ourselves may introduce or fail to introduce by our own action, or which, if present already, our own action may eliminate; or the presence or continuance of which is for some reason doubtful to us; while those other causes whose presence is assumed by all parties to the discussion, and which no one proposes to take away, and which no one is able to take away, are passed over in silence, for there is no need to take account of them. Thus we all know that when a house is burned to the

ground, the causes of the occurrence comprise the inflammable nature of timber, and, indeed, the whole chemistry of combustion; but if an insurance office is disputing the owner's claim to compensation on the ground that the owner set a light to it purposely, while the owner maintains that a housemaid set it alight by accident, the only causes that will be put forward by the litigants will be, let us say, a lamp, alleged by the owner to have been upset accidentally in the basement, and a match, on the other hand, which is alleged by the agent of the insurance office to have been applied by the owner intentionally to the drawing-room curtains. Here, again, is another case. A man is hanging by a rope, which is fastened to a spike of rock, and he is looking for sea birds' eggs on the face of a sheer cliff. It is suddenly perceived by some of his friends on the summit that the rope is frayed a yard or two above his head. They are anxious for his safety; and if anybody asked them why, they would answer, "Because his life depends on the rope's not breaking." Let us suppose, however, that the rope is perfectly sound, but that the spike of rock to which it is attached shows signs of being about to fall. The man's friends, in that case, will explain their anxiety by saying that his life depends not on the rope, but on the rock. In either case it would literally depend on both, and on a thousand other things as well; but in either case one cause only is mentioned or calls for mention, and that is the cause or factor whose continuance or cessation is alone open, under the circumstances, to any practical question.

For similar reasons, and in a similar sense, the able minority of men who direct the labor of the majority are the true producers of that amount of wealth by which the total annual output, in any given community, exceeds what would have been produced by the laborers if left to their own devices, whether working as isolated units or in small self-organized groups. The action of the average laborers is no doubt as essential to the produc-

tion of the increment, as it is to the production of a minimum product such as this; but it is not the *cause* of the *increment*, or of the DIFFERENCE between the two products, in any practical sense; for while the product changes the labor remains the same, and there is no question of its ceasing unless the laborers cease to exist. There never can be a question of the directing faculties of the few being left alone in a world where there is no compulsory labor—for nature, our eternal taskmaster, is always present with her unrelenting lash; but there is constantly a question, when the security of social institutions is threatened, of labor's being withdrawn from the efficient guidance of ability; or, in other words, of the action of ability being temporarily suspended altogether. *The application or the nonapplication of the directing faculties to the labor of the majority, which labor is bound to continue in any case—these are the sole alternatives.* When these faculties are thus applied, the output of wealth increases; when their application is interfered with or ceases, the output of wealth declines; and in the only practical sense of the words, cause or producer, these faculties, or the persons who exercise them, are the true causes or producers of the whole of that portion of the wealth of any community which comes into being with their activity, and disappears or dwindles with their inaction.

Let me give you two examples of this reasoning, as applied to actual facts. One of the commonest occurrences in the world of business is that a great productive industry is developed and prospers under the direction of some talented founder. He dies, and the business passes into other hands, and though it may continue to succeed for some time after his death, owing to the momentum which his talents had imparted to it, it gradually declines, and is superseded by competitors, whose ability is superior to those of the men who in his own business have succeeded him. Let me now give you an example, on a larger scale, of the

converse process—that in which the ability of the men by whom labor is directed, in spite of individual failures, is on the whole maintained. In Great Britain, at the beginning of the nineteenth century, the average income that would have come to each family, if the entire wealth of the country had been pooled and divided equally, would have been, statisticians estimate, about four hundred dollars, or eighty English pounds. Eighty years later, the total actually paid in wages to manual labor, would, if equally divided, have given each family an income of about four hundred and eighty dollars. Thus wage earners of England as a whole, though they worked for shorter hours, actually divided among themselves more wealth per head than would have been theirs if the entire possessions of every capitalist and landowner had been made over to them in perpetuity at the beginning of the nineteenth century.

Here we have, from the laborers' point of view, a most remarkable object lesson as to the effects of the increasing concentration of Ability on the operations of labor itself. To return to a simile I made use of on a former occasion, the higher the quality, and the more intense the action of the exceptional Ability to whose guidance labor submits itself, the larger is the volume of water pumped up into the reservoir from which wealth is distributed to the various members of the community; and so far is Ability to-day from stealing the water pumped up by itself, that it is by this time appropriating an increasing quantity of the water the supply of which is due wholly to Ability. In other words, though in a great variety of details the existing order of things requires detailed improvement, the whole material source or fund from which material improvements can be drawn, consists in those additions to the national wealth, and the continued sustentation of additions achieved already, which are due to the activity of that minority, operating by means of capital, whose powers and functions are ignored by the popu-

lar socialism of Karl Marx, and whose means of operation would be taken from them by the socialism of Mr. Sidney Webb.

To this latter question—to the socialism of the new socialists—I shall refer again in greater detail, when I next have the privilege of addressing you.

LECTURE IV.

As I have already pointed out, the original teaching of the socialists, when socialism began to assume the character of a reasoned system, as it did under the influence of Marx, and thus acquired the watchwords which first made it widely popular, was that wealth belongs, as a matter of natural justice, to those persons who produce it; that anyone who appropriates what he has not produced is a robber; and that, since labor, or the ordinary manual efforts of the great masses of mankind, alone produces all the wealth that exists, all wealth ought in justice to go to the great masses of mankind. And this remains at this moment the really popular gospel of socialism—the teaching on which its propagandists still rely when they seek adherents among the wage-earning classes generally. You will have seen, however, from certain of the arguments of the more recent socialistic thinkers, which we were considering when I last addressed you—notably from those of Mr. Sidney Webb—that the more thoughtful socialists have been gradually growing conscious of the fallacy of that primary economic doctrine which they once accepted as an axiom—namely, that the sole producer of wealth is the labor of the average man. They are beginning to see that labor does not only not produce all wealth, but that, under certain circumstances, it does not even produce most of it; and being still determined to proclaim that the laborers have a right to the possession of it, they are beginning to shift their ground, and are seeking to place this doctrine on some totally new foundation. So long as it was possible for them to proclaim, without fear of contradiction, that no one produced wealth except the manual laborer, it was all very well to argue that, because the laborer, A, has produced wealth to the value of one hundred dollars, therefore

this hundred dollars is in justice A's absolute property; but now, when they are gradually perceiving that the monopolists of business ability—to use Mr. Webb's own phrase again—are man for man producers on an incomparably greater scale, and that any one of them, B, may produce one thousand dollars in a far less time than it takes A to produce one hundred, they are beginning to fight shy of the principle of justice with which they started—the sacred principle that the product belongs to the producer; for if A, because he produced them, has a right to his one hundred dollars, B, because he has produced them, would have the same right to his thousand dollars, and this is the precise conclusion against which the socialists are at war. They are, therefore, though they have not yet openly admitted the fact, trying to found their demand for an equal distribution of wealth, not on the rights of the laborer, in his economic capacity, as the personal producer of the wealth which it is proposed to give him, but on his moral rights as a man—as one human being among many, who together constitute a community. Men, it is argued, whatever their congenital inequalities, resemble each other, in virtue of their common humanity, far more than they differ from each other in virtue of their unequal efficiencies. Let their efficiencies be great or small, they are not themselves the authors of them. Their efficiencies, be they great or small, depend alike on conditions, past and present, which are beyond their individual control, and which they all of them share in common; and, though the absolute results of the efforts of individuals will vary, the efforts of each, relatively to his powers, will be equal. Thus, for the formula of Marx—To each man according to his products, and the products of all laborers are equal—the socialists of to-day are endeavoring to substitute this—Let each man produce according to his economic capacity, and enjoy the products according to his human needs. This is the practical outcome of the arguments

of such persons as Mr. Webb, when they endeavor to exhibit ability as a species of unearned increment—arguments which, taken by themselves, are, as we have seen, ridiculous, but which acquire a sort of plausibility when they lose their details, and merge themselves in an appeal to some general moral sentiment. This new position of the socialists—this alternative string to their bow—for, when addressing the vulgar, they still keep to the old one—differs from the old position—the position of Karl Marx—in the following fundamental way. Marx based the ethics of distribution on what purported to be an analysis of production. Socialists like Mr. Webb are endeavoring to separate the two. Mr. Webb tries to represent it as a matter of complete indifference whether the directors of labor produce more than the laborers themselves or not. Indeed he allows, in his recent explicit admissions, as important a rôle to the employers as they could possibly claim for themselves, and throws the old socialistic analysis of production overboard altogether. He substantially agrees with the monopolists of business Ability that they have made the wealth which they possess. He differs from them only in contending that they have no right to keep it; that their present possession of it is merely an accident of the situation; and that the majority have not only the right and also the power to appropriate it, but to redivide it, on grounds of general though not of economic justice.

To declare, however, that this revolutionary redivision is justifiable on moral grounds is, it need hardly be said, a perfectly useless proceeding unless, besides being just, the redivision is also practicable. We may leave, therefore, the question of its justice altogether on one side, until we have considered how, as practical men, the socialists propose to bring the redivision about; and what are the views taken by them of society and of human nature which lead them to look on their programme as really susceptible of accomplishment.

This brings us back to a question at which, under one of its aspects, we have had occasion to glance before. When I was dealing with capital as a factor in modern production, I pointed out that the distinctive and fundamental function performed by it in the modern world was that of supplying the directors of labor with the means of securing the technical obedience of the laborers, such obedience constituting the condition on which they received their wages. And I pointed out, as you may remember, at the same time, that socialists, in their constructive schemes, though not in their popular rhetoric, recognized that the same kind of obedience would be equally necessary under socialism; only they propose to enforce this obedience in a wholly different way. The only "truly socialistic scheme"—so says Mr. Webb in words which I have already quoted—"is to make an equal provision for the maintenance of all an incident and indefeasible condition of citizenship, without any regard whatever to the relative specific services of different citizens; and, instead of leaving the rendering of the requisite services to the option of the citizen (as the wage system does) with the alternative of starvation, to require each citizen to perform the part allotted to him, under one uniform law or civic duty," just, says Mr. Webb, as military service is to-day exacted from soldiers.

Now if we assume that the socialistic state can, by some means or other, secure all the ablest men as the official directors of the labor of the citizens generally, there is, as I said before, nothing inherently impracticable in the proposal to guarantee to each laborer all his necessities and his comforts in any case, and secure his industrial obedience by methods the same as those by which military obedience is secured in the case of soldiers. On the contrary, as I said before, this method is one which was practiced in the earliest civilizations known to us, and was in practical operation

for thousands upon thousands of years. It built the walls of Babylon. It built the pyramids of Egypt. It raised the monstrous stones of Baalbec. It was the method of slavery. It did not receive its deathblow in the civilized world till this country inflicted it within the lifetime of living men. It is this method of securing and controlling ordinary labor that, on Mr. Sidney Webb's admission, any system which is "truly socialistic" would reintroduce. If every citizen, whether he is willing to work or no, has an indefeasible right to board, lodging, fuel, and clothing, equal to those enjoyed by the most industrious members of the community, the idle and the disobedient can be made industrious and obedient by one means only—the application of the lash, or by the fear of it; or, if Mr. Webb and his friends prefer a strictly military discipline, by the fear of irons, or the bullets of a dozen rifles. Whether this would be preferable in the eyes of a free population to the existing wage system, either in point of efficiency or otherwise, we need not for the moment discuss. It is at all events a method of obtaining and controlling labor which experience shows us to be possible, and within limits effective. But to secure and control the requisite manual labor is, on Mr. Webb's admission, only half of the task which would lie before the socialistic state. The other half of the task, which he recognizes as still more important, is to secure the services of the men by whom all this labor is to be directed—the men of science, the chemists, the mathematicians, the inventors, the men of constructive imagination, on whose talents and genius the productivity of ordinary labor will depend. By what means will socialism secure the services of such men as these?

Here we have to deal with a problem which, for one reason at all events, if for no other, is entirely different from the problem of ordinary labor itself. To secure from men the exertion of their ordinary faculties—espe-

cially those of common manual labor—by positive coercion, instead of the inducement of wages, is, let me repeat, possible: but it is possible for this reason only. In respect of the faculties embodied in ordinary labor, anyone by looking at another man can tell how far he is possessed of them—whether he can trundle a wheelbarrow, carry a hod of bricks, file a casting, hit a nail on the head, and so forth; and any director of such labor knows exactly the individual task which he wishes each laborer to perform; but in respect of the faculties—not ordinary but exceptional—which are essential for the men by whom labor is to be successfully directed, both these conditions are wanting. It is impossible to tell that any man of exceptional ability possesses any exceptional faculties till he himself chooses to show them; and until circumstances supply him with some motive for exerting them, he will probably be unaware that he possesses such faculties himself. Moreover, even if he gives the world some reason to suspect their existence, the world will not know what he can do with them, and consequently will not be able to impose on him any definite task, until he chooses himself to show of what tasks he is capable. Any Scotch farmer could, by looking at Burns, have told that he had the makings in him of a sufficiently good plowman, and have forced him, under certain circumstances, to do so much plowing daily. Anyone could have told that Shakespeare was capable of holding horses at the theater door, and compelled him to hold them as the condition of his getting his daily bread: but no one could have compelled Burns or Shakespeare to write “Auld Lang Syne” or “Hamlet.” A press gang could have forced Columbus to labor as a common seaman: but not the whole population of Europe could have forced him to discover a new hemisphere; for the mass of his contemporaries, until his enterprise proved successful, obstinately refused to believe that there was a new hemisphere to discover.

The exceptionally able men, therefore, by whom labor

is successfully directed, and on whose ability the wealth of the world depends, would stand, with regard to the socialistic state, in a position fundamentally different from that of the ordinary laborer. His distinctive faculties cannot be guessed at by looking at him, by feeling his muscles, or by watching his natural movements. Nothing as to his exceptional faculties can be known until he himself chooses to reveal them. He is therefore lord of his exceptional faculties in a way in which the common man is not lord of his common faculties. The existence of the latter cannot be concealed. The kind of work that can be accomplished by these faculties is known to everybody; and the community can, by the exercise of mere force, command the average man and make him work like an animal; but over the exceptional faculties of the exceptional man the state or the community has no command whatever, except what the exceptional man voluntarily elects to give it; for the state neither knows that the faculties exist, nor what things the faculties can accomplish, till their possessor reveals the secret. He cannot be made to reveal it. He can only be induced to do so; and he can only be induced to do so by a society which for an exceptional deed offers some exceptional reward, just as a reward is offered for evidence against some unknown murderer.

Now if a socialistic revolution could be brought about suddenly, there would no doubt be a large number of men whose exceptional abilities were already well known; and the state might, no doubt, pick out these particular men, and compel them with some effect to place their knowledge and their talents at its service; but this situation would last for a few years only. These men would die, and their places would have to be taken by a number of other men who at present are children, or who have not yet been born, and whose exceptional talents are in any case altogether unknown and latent. How shall these seeds of efficiency be induced to sprout

and bloom by a society whose cardinal principle is that no one man shall be allowed to receive a remuneration greater than that which is the indefeasible right of the most worthless?

It is only fair to the socialists of the new school to say that this question has suggested itself even to them; and attempts have been made by them during the last ten years to answer it. The exceptional man, it is said, will be motivated to exceptional exertion, in the absence of exceptional remuneration, in one or other, or in all, of the four following ways: By the mere pleasure of "excelling," or by "the joy in creative work"; by the satisfaction which work for others brings to "the instincts of benevolence"; and lastly by the desire for "social approval," or the homage which is called "honor."

Now if socialists confined themselves to maintaining that the desire of such rewards as these constitutes a sufficient motive to exceptional activity of certain kinds in certain cases, they would not only be asserting what nobody else would deny, but they would be asserting nothing on which, as socialists, it is to their own interest to insist. The special proposition which, as socialists, they aim at establishing is not that certain kinds of exceptional men do certain kinds of exceptional things in obedience to the motives in question, but that, because some exceptional men, such as artists, philanthropists, and soldiers, are motivated by them to activities of certain specific kinds, other exceptional men will be motivated by them with equal certainty to other activities of a kind totally different—namely, the activities which result in the production of ordinary commercial wealth, such as boots, staylaces, trouser buttons, and frying pans. The motives on which the socialists rely as incentives to business ability, independently of the prospect of any business reward, are fairly summed up by the socialistic writer whose phrases I have just been quoting, as the joy of excelling, the joy in creative work, the desire to benefit others, and

the desire of approbation and of honor. That these motives are motives of extraordinary power all history shows us. The most impressive things accomplished by human nature have been due to them. But let us consider what these things are. They are not only impressive. They are limited in number, and they have no connection whatever with the production of ordinary wealth. We shall find that they are referable to one or other of five kinds of activity—heroism in battle, or in face of any exceptional danger; artistic creation; the pursuit of speculative truth; what theologians call works of mercy; and, lastly, the propagation of religion. This list, if understood in its full sense, is exhaustive. Such being the case, then, the argument of the socialists is as follows—that because a soldier in action will eagerly face death; because a Fra Angelico will paint a Christ or a Virgin; because a Kant will immolate all his years to philosophy; because a monk or a sister of mercy will give themselves to the victims of a pestilence; because a missionary will face martyrdom—all without any thought of a proportionate pecuniary reward—the directors of industrial labor, if only such rewards are made impossible for them, will at once become amenable to the motives of the soldier, the artist, the philosopher, the inspired philanthropist, and the apostle. This is the assertion which underlies the socialistic argument; and what we have to do is to ask calmly and dispassionately whether or no this assertion is true. Is there anything in any evidence accessible to us which may lead us, even for a moment, to think it true?

Here I will ask you to observe how economics, in the discussions of to-day, is compelled to extend its scope; for this question belongs to the domains of psychology, and also of physiology. There are likenesses between men as there are between dogs and horses, and there are also differences. Are the differences in temperament and talent between different types of men interchangeable like the parts of an auto-

mobile made by the same maker? Does the fact that a man with the temperament of a Fra Angelico will paint a Madonna for the mere love of painting her, prove that a man, in his own way equally exceptional, will start a factory for the production of cheap frilling for petticoats, without hopes of a profit proportionate to his prospective sales? Can we argue from the motives of the soldier, the thinker, the monk, or the missionary, to the motives of the bootmaker, the maker of patent saucepans, or the constructor of big hotels? Anyone who has studied human nature historically, or observed it in the life around him, will dismiss the idea, on reflection, as at once groundless and ridiculous.

Let us take the motives supplied by religious fervor and by benevolence. These have led, among masses of men, to conduct of the most exceptional kind. They led the great St. Francis, and his more immediate followers, to a life of effort whose object was not only not wealth, but was on the contrary their union with poverty, as their sacred sister. But even in the days when Christian piety was at its height, the rule of St. Francis was found practicable by a minority only. One might as well argue that, because there have been multitudes of monks, the celibate and the cloistered life will one day be made universal, as one may argue that because some classes of exceptional men will do, for the mere love of the thing, certain kinds of exceptional work, other classes of men will, for the same reason, do exceptional work of a totally different character—that they will produce exceptional wealth, and not expect a reward of the same order as their products. Even the most ascetic of the monastic orders, when they set themselves to produce articles of commerce—as for instance the Carthusians when they produce their celebrated liqueur—take care to receive for each bottle the highest exchange value procurable.

But the fanciful and foolish character of the entire reasoning of the socialists, in this connection, is most luminously illustrated by the example on which they themselves lay the greatest stress. This is the conduct of the soldier, who is, as they say, not only willing but eager to perform duties of the most painful and dangerous character without any thought of receiving for it higher pay than his fellows. The same moral has been drawn from the soldier's case, not by socialists only, but by other distinguished thinkers, for whom formal socialism was an absurdity. Thus Ruskin says that his whole scheme of political economy was based on the moral assimilation of industrial work to military. "Soldiers of the plowshare," he said, "as well as soldiers of the sword. All my political economy is comprehended in that phrase." Mr. Frederic Harrison, again, the prophet of English positivism—who, apart from his positivism, is a shrewd as well as a prosperous business man—has declared that the readiness with which soldiers will die in battle, is a type of man's readiness to spend himself in the peaceful service of humanity. Again, in a similar sense, another English writer observes, "The soldiers' subsistence is certain. It does not depend on his exertions. At once he becomes susceptible to appeals to his patriotism. He will dare anything for glory, and value a bit of bronze which is the reward of valor far more than a hundred times its weight in gold." To this passage one of the English socialists calls special attention, and exclaims triumphantly, "Let those notice this last point who fancy we must wait till men are angels before socialism be practical."

Now to all these ideas and arguments there is one answer to be made. They are all founded on a failure to perceive the fact that military activity is in many respects a thing apart, and depends on psychological and physiological conditions which have no analogies in the domain of ordinary economic effort. That such

is the case can be very easily seen by following out the train of reasoning suggested by Mr. Frederic Harrison. Mr. Harrison sees that in ordinary life a man will not deliberately run the risk of being killed or mutilated, unless for the sake of some object the achievement of which is profoundly desired by him; and Mr. Harrison, and the other writers just quoted, assume that this must be the case on the field of battle also—in other words that the willingness of the soldier to face death results from, and is a measure of, his attachment to the country for which he fights. And in certain cases—when a country is in desperate straits, and everything hangs on the issue of a single battle—this inference is doubtless just; but that it is not so universally, and that the willingness of the soldier to confront death must have some other origin than an attachment to the cause he fights for, is shown by the notorious fact that some of the bravest and most reckless soldiers ever known to history have been mercenaries who would fight as willingly for one country as for another.

For this peculiarity in the soldier's conduct there are two reasons. One is the peculiar character of the circumstances in which the soldier is placed on those occasions when his courage is most highly tried—circumstances which render the attempt to evade peril almost as difficult and often more perilous than facing it, and which in ordinary life would be intolerable, if they did not happen to be impossible. But the most important and the fundamental reason is this—that the instinct of fighting is inherent in the very nature of the dominant races, and will always prompt numbers to do, for the smallest reward, what they could hardly, in its absence, be induced to do for the largest. This instinct—the result of incalculable years of struggle which has made the human race what it is—is no doubt more controlled than formerly, and is not so frequently roused. But it is still there. It is ready to quicken at

the mere sound of military music; and the sight of regiments marching stirs the most apathetic crowd. Take again the case of schools. High-spirited boys will take the chance of having their noses broken for the mere pleasure of fighting, when they will not risk a headache for the sake of learning their lessons. Here is the reason why the soldier, though he submits himself to the most direct coercion, never considers himself, and is never considered a slave; and military activity will never, as the socialists vainly fancy, throw any light on, or present us with any analogy to, the kind of inducements essential to activity in the field of industry, till human nature undergoes so radical a change that men would as eagerly rush to build a house, while bricks were falling all about them like snowflakes, and killing every tenth man, as the Japanese risked death by a bullet or a bayonet on the field of battle.

I have dwelt on this particular point, partly because it is one to which socialists attach such extreme importance; partly because it affords us an exceptionally striking illustration of the reckless, the superficial, and unscientific manner in which they are accustomed to reason. One of the principal grounds on which they attack what they call the economics of the capitalist classes, is that it deals solely with the actions of what is called the economic man, or the man whose one motive is the personal acquisition of wealth. Such a man, they say, is an abstraction. He does not exist in reality. The actual man is a complex being, whose selfish and acquisitive motives are traversed by many others; and if economics is to have any scientific value, it must deal with man as a whole, in all his living complexity. The argument in itself is true as a criticism of the orthodox economists; but when the socialists attempt to act in accordance with their own professed principles, and take the whole of human nature into account, they do nothing but travesty the precise class

of errors which they condemn. The one-motived man who cares only for personal gain is no doubt an abstraction, which has no actual concrete counterpart; but the motive ascribed to him is a motive which has a real existence, and by considering its effects in isolation we can reach many true conclusions. But the other motives with which the socialists attempt to supplement this are so vague, so indefinite, so fantastic, that they correspond to nothing. Instead of being any true addition to the data of economic science, they are like images belonging to a nebulous and sentimental dream, which have only the effect of obscuring, not of completing, the facts of human nature to which the orthodox economists confine themselves, and which though imperfect, are so far as they go actual. The psychology of the socialists makes no attempt whatever to define the scope and the operations of the motives with which it affects to deal; and throws no more light on the real facts of human nature than a child's painting of a mountain would throw on its geological formation.

Now, however, without getting out of touch with the socialists, let us get back to firmer ground; and having seen the futility of their efforts to provide, on a socialistic basis, any motive which shall stimulate the higher industrial efficiencies, other than that supplied at the present time by the prospect of possessing wealth in proportion to the amount produced, let us consider *this motive itself, as history and experience reveal it to us*. And here in presence of facts which no one seeks to deny, we shall find that the socialists are among our most important witnesses. The motive in question on the part of the exceptional wealth producer, the capitalist employer, the man of enterprise and business ability—namely, the desire of wealth proportionate to his exceptional production of it—commonly receives from the socialists the vituperative name of greed. We will not be squeamish over a name, and, to avoid

quarreling over trifles, we will, for the moment, adopt this name ourselves. It will show that we and the socialists are talking about the same thing. The socialists maintain that greed will be superfluous as a motive in the future; but what have they got to tell us about its operation in the present and the past? They tell us a great deal. For what, as moral and political agitators, has been their chief moral indictment against the typical man of ability, the director of labor, the introducer of new machinery and new methods, the pioneer of commerce? Their chief indictment against men such as this has been that, instead of working for the mere pleasure of benefiting their fellows, or for the sake of any other of those rewards which the socialists declare to be so satisfying, their one motive has been greed and selfish greed alone. Its hideous influence, they say, is as old as civilization itself, and the monopolists of business ability in Tyre and Sidon were as much its creatures as are their modern representatives in Berlin, London, or Pittsburg. Here we get to something like solid rock; for this assertion, unlike so many made by the socialists, has the refreshing advantage of being substantially true. Just as the desire of winning a woman is associated with the act of making love to her, so is the desire of possessing wealth associated with the act of producing it.

The only defect of this assertion is a defect of the last kind that one would naturally look for in those who denounce the narrowness of the orthodox economists on the ground that they confine themselves to a consideration of the one-motived economic man. For not even Mill or Ricardo would have maintained that actual human beings had no other desires in life than to make as much money as possible. They would have granted them, in theory at all events, some benevolent and unselfish feelings. But when we turn to the analysis invariably given by the socialists of the characters of all the men of business ability who have ex-

erted themselves in the world hitherto, we find that even on occasions when these men have given most remarkable signs of apparent sympathy with others, the socialists have been ready to denounce them as nothing better than hypocrites, and declare that greed was their motive—unadulterated greed only. Thus, when the liberal manufacturers of Great Britain, about sixty years ago, advocated and aided in securing the abolition of the corn laws, declaring themselves desirous thereby to ameliorate the lot of the people, and provide cheap bread for the thousands who were famishing for the want of it, Karl Marx, who was then in England, declared that the sole motive by which these men were really actuated was the desire to reduce wages, and thus add to their own profits.

Now this assertion of the socialists does contain an element of truth; but the truth to which it bears witness, when shorn of its exaggerations, is this—not that men of business ability, and the great directors of industry, either are at present, or ever have been in the past, motivated, as concrete human beings, by no other desire than greed; but that this motive is, as a matter of fact, essential to, and psychologically inseparable from, their activity as men of business; just as, on the socialists' own admission, joy in creation is inseparable from highest art of the painter or the love of some woman from the lover's efforts to win her, though no artist or lover ever lived who had not many motives unconnected with his paint box or his sonnets to his mistress's eyebrow.

When we are considering men as persons who can render some specific service, we have to consider their characters with reference to that specific service only. The specific service here in question is the exceptional production of wealth on the part of exceptional men; and the whole question we are now debating is merely how a society which was organized on socialistic principles, and whose distinctive aim was to deny to these

exceptional men any wealth proportionate to the exceptional amount produced by them, will be able to secure their services, which the socialists admit to be essential. That they will not give their services, that they will not even develop their special faculties, without a motive of some sort, is admitted by the socialists themselves. What is that motive to be? And the socialists themselves declare more vehemently than anybody that, so far as our knowledge of the past and our experience of the present can inform us, the class of men in question, in respect of their economic activities, are amenable to one motive only—namely, a desire for a share of wealth proportionate to the amount produced by them; and this is the precise desire that socialism would refuse to satisfy. In supposing, then, as they do, and as they are obliged to do, that some other motive in the future will take the place of this, they are supposing that human nature will, in some comparatively short time, undergo a change to which history, on their own express admission, affords no parallel, and that certain traits will disappear from certain types of character, which all the revolutions and movements of human life have, on their own admission, done absolutely nothing to modify, from the earliest dawn of civilization up to the present day.

It is a very curious fact that those enthusiasts who are most eloquent in declaring that this change will be easy, are the very persons who are most vehement in proclaiming that thus far there has never been a single sign of it. I have quoted the declaration of Marx, made in England about sixty-five years ago, to the effect that the men whose ability was at that time in England increasing the production of wealth as it had never been increased before, not only had greed for their sole industrial motive, but were susceptible of no other. I will now give you one of the latest utterances of a distinguished living thinker, who, though differing from most socialists in many of his moral ideals, is en-

tirely at one with them in their distinctive economic principles. I refer to Count Tolstoy, whose name I mentioned in one of my previous lectures. He, too, like socialists of the school of Marx, declares that ordinary manual labor is the source of all wealth. At the same time he, too, like socialists such as Mr. Sidney Webb, recognizes that some men are much more efficient than others; and, with regard to these men, he says that so long as they continue to do what they do now, and have always done in the past—namely, to expect that their exceptional efficiencies shall be rewarded with exceptional possessions—"then inevitably whatever organization may be introduced, society will form a cone, and the most efficient men will be at the top of it." "Therefore," he says, "all that is now necessary for the deliverance of men from their sufferings is that they should emancipate themselves" from their present motives, and that each man, instead of seeking to possess in proportion to what he produces, should obey that "eternal law which gives the highest possible social welfare" indiscriminately to "all everywhere."

This is all that is required, he says; and he speaks of it as a trifling change. It is a change, however, which unintentionally he invests with a very different aspect, when, in another passage remarkable for its shrewdness and candor, he explains his meaning further. For the motives, he says, which are at present operative among the capitalist on a large scale are at present universally operative among the mass of men on a small scale. "Any laborer," he proceeds, "whether educated or quite illiterate, is ready to express his indignation with the capitalist, and denounce the whole existing organization of society as wrong; and yet," says Count Tolstoy, "give this laborer, be he educated or uneducated, the opportunity of bettering his position by producing certain articles cheaper than others, or of buying land, or of organizing a business with wage-paid labor himself, and in nine hundred and ninety-nine cases out

of a thousand he will do it without scruple and defend his possession of the land, or his privileges as an employer, often more strenuously than the born landlords and capitalists."

What Count Tolstoy says here is no more than the truth. The exceptional man's motive—namely, his desire for exceptional possessions—is merely the developed form of a motive common to all men; namely, the desire of receiving, as the result of personal effort, an amount of wealth which is, to say the least of it, not so small as to be grossly disproportionate to the amount of wealth which the personal effort has produced. In other words, this motive, which Count Tolstoy proposes to abolish, is, on his own admission, indigenous to the vast majority of mankind. If we confined ourselves to the language of socialists like Mr. Sidney Webb, the change in motive essential to the socialistic state would seem to be a change in motives which were peculiar to the exceptionally efficient minority; but Count Tolstoy corrects this view by his penetrating and twofold assertion that the motive requiring change in the minority is a motive equally ingrained in the character of the majority also, and that, in order to make a socialistic state possible, the whole human race must be remodeled, and not merely a class.

If only such a change in human nature could be accomplished, a socialistic state of some sort would follow as a natural result. In just the same way, if human nature could be so changed that men wanted neither food or clothing, or that they came into the world without any coöperation of the sexes, social changes would follow of a still more revolutionary kind. The economic constitution of society is, in its fundamentals, an image or projection of human character in its fundamentals; and the one can never be changed fundamentally until the other is changed fundamentally.

Is there, then, let us ask once more, any sign in the past history of the human race, or in the conduct of the men around us, which may lead us to think that the change now specially in question is likely to accomplish itself among human beings in general, and more particularly among those exceptional men on whose services socialistic labor would depend for its productivity—no less than does labor under the conditions that prevail to-day? And to this question, as we may now see on reflection, thoughtful socialists give three answers. One consists of those false and foolish analogies which they draw between kinds of activity, such as the artistic and the military, and those involved in economic production, which stand on a footing in many ways wholly different. Another answer, to which I have not previously referred, is based on a mood of mind undoubtedly prevalent among many of those to whom the socialists mainly address themselves—that is to say, men who, conscious of producing little, and quite willing to produce less, would be only too glad, to the utmost extent possible, to profit by the activities of those who produce more. Such men are ready enough to affirm, and may possibly believe, that if they were capable of exceptional production personally, they would be perfectly willing to distribute their exceptional products among their fellows; and they thus develop a volume of unreal sentiment, founded on mere fancies as to what they would do themselves if placed in positions for which all qualifications are wanting to them. Sentiment such as this, which can rarely be put to the test, is altogether delusive. As Count Tolstoy observes, and as experience amply shows, the very men who are foremost in denouncing as immoral and needless all desire for exceptional gain on the part of the employer and capitalist, are the very men who, whenever an opportunity offers, are notoriously foremost in exhibiting this desire themselves. The third answer

is Count Tolstoy's own. Oddly enough he lays very little emphasis on it; but it is the only answer he gives us, and it is not without its value. Though nine hundred and ninety-nine men out of every thousand, be they rich or poor, laborers or employers of labor, are wholly untouched at heart by the motives which are one day to be universal, there is a minority of one in a thousand, who already have found salvation, and who actually are prepared to exert their productive faculties without any desire of special or exclusive gain for themselves. Count Tolstoy is undoubtedly right here. He knows from experience that minds of a certain class do genuinely respond to the kind of doctrine that he preaches; and he probably feels that if this is possible among some, the obstacle must be trifling and removable which prevents its being possible among all. But if he thinks this, he has read history to very little purpose. Appeals, similar in spirit, though differing in form from his own, have been made to it any time during the past two thousand years; and men, in response to them all over the world have renounced both wealth and marriage. But the reality, and the permanence of a class willing to act thus, shows us how small it is relatively, and how incapable of extension, though absolutely it may comprise a multitude. The economic asceticism which Count Tolstoy preaches, which he himself recognizes as a condition of socialism, and which other socialists, without recognizing this, demand, is simply the economic counterpart of asceticism of the Christian or the Buddhistic cloister. As such it may, and indeed occasionally has, realized itself to some degree in small and detached communities. But the success of most of these has been due to the presence of some master mind, to which, on its disappearance, no adequate successor has been found; and the success has not been long, and has certainly not been considerable.

The socialistic principle has again, to some extent,

achieved a practical expression in Great Britain in a somewhat different way—not in secluded communities (but in industrial associations which go by the name of coöperative. The ideals which such associations aim at may be said to be completely socialistic. The ideal of the coöperator is a business firm in which the workers own the capital in absolutely equal shares, have an equal voice in the management, and draw each an equal share of the total profits in lieu of wages. In practice, however, this ideal has never been completely realized; still a sufficiently near approach has been made to it to render the fortunes of industrial coöperation instructive. Coöperative enterprises have been of two contrasted kinds—those whose business was distribution, and those whose business was production; and between the fortunes of these two there has been a most signal and instructive difference. The distributive enterprises, which have merely been large shops, open to members only, and supplying these customers with goods at prices below the ordinary, because the profit of the middleman was eliminated—enterprises of this kind have met with considerable success; but coöperative attempts to produce the goods thus sold exhibit a notorious contrast to the success that has attended their distribution, and the reason is evident. In the process of producing a cheap watch, or lamp, or screwdriver, or colored and patterned fabric, far more special ability, far more mechanical, chemical, inventive, and coördinating talent is required than in the process of selling them; and the higher kinds of ability—the main requisites of production—are precisely what coöperators, in proportion as they are really coöperative, find it difficult, and generally impossible, to obtain. We need not go into particulars. The general result is written on the face of history. The capitalistic system began to assume its modern form, as the socialists are constantly telling us, about a hundred and fifty years ago. Co-

operative production was first attempted about seventy years ago. In seventy years the capitalistic system was dominant throughout Great Britain, and was rapidly spreading itself through Europe, while since that time it has become coëxtensive with civilization. In seventy years the system of coöperative production has met only with success sufficient to be the index of its comparative insignificance. It shows besides capitalism as a tortoise shows besides an express train, or a plant of asparagus shows besides a towering oak. In Great Britain, for example, all the productive businesses which are coöperative in any socialistic or semi-socialistic sense, might be suddenly extinguished to-day without any appreciable effect on the national welfare as a whole. If a similar fate overtook capitalistic production, the entire nation would, in a very few days, be starving.

Thus, if we look back over the path which we have thus far traversed, we shall see that socialism has made two attempts to justify itself—attempts beginning at opposite ends of the scale. (1) One is the attempt of Marx and his school, which represents ordinary manual labor as the sole producer of wealth. (2) The other is that of the more thoughtful socialists of to-day, who more or less clearly recognize, though they do not openly say so, that the Marxian analysis of production is no better than nonsense. These men, so far as the machinery of production is concerned, are coming round to a view which is, in many respects, not to be distinguished from that of their most uncompromising opponents. They are coming to recognize that in the modern process of production the few play a part even greater than that played by the many—that the labor of the many is the unit which the ability of the few multiplies; and the only radical change which these modern socialists would introduce is a change in the character of the motives by which this ability is first to be elicited, and then kept

in a state of sustained activity. With the doctrine of Marx, that all wealth is due to ordinary manual labor and that capital represents mere passive monopoly, used as an instrument of plunder—a doctrine which is still the foundation of socialism as a popular creed—I dealt fully at starting, exposing its fallacies in detail.

Then the neo-socialistic doctrine, which recognizes the functions of ability, but maintains that the monopoly of ability can be practically broken down by simply depriving ability of its present motives to exertion, has been occupying our attention to-day; and we have seen that it is just as unscientific, just as visionary, just as puerile as the other.

I will now sum up, in general terms, the positive conclusions to which our negative criticism as to this special point leads us.

Economic production depends, alike for its advance and its sustenance, on a fact by which the civilization of to-day is distinguished from all civilizations preceding it. This fact is the concentration on the productive process of the mental and volitional activities of exceptionally able men, to a degree in which such activities were never concentrated before. Such being the case, those countries or races have advanced fastest which, besides being prolific in men of exceptional powers such as these, offer them the greatest inducements to develop their powers, and the greatest facilities for applying them in the widest and most efficient way. And what are these inducements?

I have no reluctance to adopt once more, for the moment, the word used by socialists as a term of contemptuous invective, and say that they consist of the prospect, secured by the constitution of society, of satisfying the exceptional man's economic greed in proportion to his economic productivity. In speaking of the desire here in question as greed, we do in reality no more to discredit it than we do by speaking of a man whom we happen to dislike, as this fellow. The vitu-

perative meaning of the word is due to its derivation from greedy, which implies an inordinate desire for the sensual gratifications of eating; and the common opinion of men unable to produce great wealth, as to men who, because they produce it, desire also to possess it, is that they desire to possess it first and foremost in order that they may constantly gorge themselves with the richest and most unwholesome food, or revel to excess in luxuries of a like kind. When a caricaturist desires to deride a plutocrat, he invariably draws him with a swollen face and a waistcoat bulging like a balloon. The bloated capitalist is a phrase that has become proverbial; and a similar phrase, belonging to an earlier period, "As drunk as a lord," still survives in England—the supposition being that a lord was a rich man, and that, being a rich man, he would drink as much wine as he could hold. And no doubt many of the men who make great fortunes may be taxed with greed in this and kindred senses. But so may men in all ranks of life. One man may be as greedy over a sausage as another man is over an ortolan. A man may be as slothful in a cheap bed as in a dear one. He may luxuriate as idly in a rocking chair that cost a couple of dollars as he may in a gilded fauteuil which belonged to Marie Antoinette, and which cost perhaps ten thousand.

The fact is that greed, if we take the word as meaning a mere physiological desire for the direct indulgence of the senses, forms a very small part of the motive which induces the most selfish men to the prolonged efforts in virtue of which they produce and augment great fortunes. Of this fact there are many incontrovertible proofs. One is that many of the greatest wealth producers have been men who, in their personal expenditure, have been exceptionally penurious. Another is that, when wealth is possessed on a great scale, the amount which the utmost ingenuity could expend on the satisfaction of personal greediness is comparatively

small; and, in the case of the men who produce their tens of millions, is left far behind at a very early stage in their career.

The desire, therefore, of mere sensual satisfaction cannot be the main motive that prompts men to the production of great wealth. A key to the general question of what the main motive is by which men on the whole are prompted to the production of great wealth is to be found in an observation of Ruskin's, remarkable for its penetration, and for the terse aptitude of its language. We must, he says, in considering human motives, draw a sharp line between men's "needs" and their "wishes." Their needs are bounded by the constitution of the human body, and the promptings of the common affections. Their wishes, which make up three fourths of their desires, are, on the other hand, what he calls "ROMANTIC." They depend on imagination, thought, and all kinds of indeterminate emotion. Thus the physical enjoyment derived from the scenery of a beautiful park is the same for the owner, and any stranger who happens to wander in it. The additional enjoyment which comes to the owner from his ownership is altogether mental, imaginative, or, as Ruskin says, romantic. In the same way the possession of wealth generally, and the desire to increase it, mean an enlargement of the general consciousness far more than any titillation of the nerves, or the pampering of any physical appetite. What are the forms of expenditure most characteristic of the very rich men who have arisen in the world to-day? One is certainly the collection of works of art. Another, specially noticeable in this country, is the giving of great sums to educational and other public purposes.

It is impossible here to go into this interesting subject minutely—a subject closely connected with the economics of the modern world; but the facts of the case may be generally summed up in saying that the motive which stimulates the producers of great wealth

to demand a proportionate amount of their great products for themselves, is not a desire for pleasure, but a desire for the realization of power; and when this fact is understood, the psychology of the question becomes perfectly intelligible. The monopolists of business ability—to return Mr. Webb's phrase—are men conscious of powers which are at first latent and internal. When applied to the production of wealth, these powers become externalized, developed, and reëmbodied in the wealth produced by them; and when thus reëmbodied, they are at their possessor's service, ready to subserve his purposes in an indefinite variety of ways. Because very rich men will so often give vast portions of their riches to public purposes it may seem to some that they would still go on producing, it, instead of being given away by them, these sums were taken from them by the state. Here we have another example of the puerility of socialistic psychology. If the sums in question were taken instead of given, the producer would lose the one thing which he primarily values in the transaction. He would himself lose all share in it. It would cease to be an expression of himself. Let anyone who thinks that, because a man is willing to give money away, he necessarily sets no value on being recognized as the rightful possessor of it, ask himself if, because he is willing to give a dollar to a poor man in the street, he would be equally willing that the stranger should steal it out of his coat pocket.

In any case the great truth remains that, in proportion as men of ability are essential to the progress and the sustentation of wealth in modern society, society as a whole, if it is to secure and retain their services, must concede to them by its constitution the terms that these men desire; and what these terms shall be, must practically be decided not by society as a whole, but by the exceptional men themselves. Society as a whole can no more determine that such and such a

motive shall be sufficient to stimulate certain people than all the fishermen in the world can determine, by taking counsel together, that fish shall rise to flies which happen not to attract them.

Here we come to another aspect of our subject—to this question of the limitations of the powers of society—a question as to which even many highly educated thinkers think as loosely, and with as profound an inaccuracy, as they do with regard to the part which ordinary manual labor plays in the production of wealth. This question I must deal with when I next address you.

LECTURE V.

The belief that socialism represents a practicable form of society—this is what I ended with pointing out to you in my last address—rests, in the minds of those persons who hold it, and is defended by them, on two grounds. One of these is a doctrine relating to the labor of ordinary men; the other is a doctrine relating to the motives which will secure for society the services of exceptional men.

(1) Popular socialism—socialism as expounded to the masses—says, "The many do everything, and the few nothing. We need not, therefore, trouble ourselves with considering the position of the latter. We have nothing to do but to dispossess them, and their whole inheritance will be ours."

(2) Socialism of the more thoughtful kind is now obliged to say, "We by no means deny that the exceptional few do something. We recognize that their services are essential, and we will get them to exert themselves precisely as they do now; but they shall work for us on our own terms, and the whole of their present inheritance shall be appropriated by us just the same."

Now what I want to point out to you as to these two theories of socialism is this—that, widely different and indeed contradictory as they are in their details, they rest alike on a fallacy which is in both cases fundamentally the same. This fallacy consists in an ascription to society as a whole, or rather to an overwhelming majority in any society, of powers which it does not possess—no matter how completely democratic its political organization may be.

I will give you an example of this error, taken from a quarter which renders it exceptionally striking. About eight or nine months ago there appeared in the *North*

American Review an article dealing with the growth, not of ample, but of colossal fortunes, which the writer earnestly deplotes, and which he desires to see checked. He hides his personality under the initial X; but the editor of the *North American Review* states in a note that he is one of the foremost philosophical thinkers living in the United States. He is obviously, moreover, a man of moderate, not of extreme opinions. I will, with your permission, read to you certain sentences from his article. "It is," he says, "to the true interest of the multimillionaires themselves to join those who are free from envy in trying to remove the rapidly growing dissatisfaction with their continued possession of these vast sums of money." That these men are not mere idlers, that on the whole they render exceptionally economic services to the country, X does not deny; and he admits that it is necessary to stimulate them by allowing them some exceptional reward; but he contends that the rewards which they are at present permitted to appropriate are excessive, and ought, therefore, to be limited. But limited by what means? The means, he says, are ready to hand, and can be applied with the utmost ease. They are provided by the existing political constitution of the United States. And here comes the passage to which I would particularly call your attention. "No one can doubt," he says, "that, if the majority of the voters chose to elect a Governor of their own way of thinking, they could readily enact a progressive taxation of incomes which would limit every citizen of New York State to such incomes as the majority of the voters considers sufficient for him. And it would be particularly easy," he proceeds, "to alienate the property of every man at death, for it is only necessary to repeal the statutes now authorizing the descent of such property to the heirs and the legatees of the decedent." It is difficult to imagine a more vivid illustration than this of the error to which I am now referring—the error of ascribing to majorities in demo-

cratic communities not only more power than they possess, but a kind of power which they do not possess at all, and which no kind of Government ever has or ever can possess, whether it be the most diffused democracy or the most arbitrary and concentrated absolutism. That a unanimous and overwhelming majority in any democratic country can effect any legislative changes they please at any given moment, and perhaps enforce them for a moment, is no doubt true. But life does not consist of isolated moments or periods. It is a continuous process, in which each moment is affected by the moments that have gone before, and the prospective character of the moments that are to come after. If it were not for this fact the majority of voters of New York State, by electing a Governor of their own way of thinking, might not only limit the amount which any citizen might possess; it might do a great deal more besides. If the principles of X are correct, he is a great deal too modest in his estimate of what a Government might do with the majority of the voters at the back of it. Besides enacting a law which limited what any citizen might accumulate, it might also enact a law, with the same delightful ease, limiting the amount of food which any citizen might eat. It might limit everybody to two ounces a day. It might enact that nobody should wear a greatcoat in winter, or that grown men should array themselves in the clothes of babies. It might decree an eternal holiday, and forbid any citizen to perform any kind of labor. Besides enacting that no father should bequeath his wealth to his children, it might enact just as readily that no father should have the custody of his children. Or again, by electing a Governor of its own way of thinking, it might enact that no remedy should be applied to any disease, other than some quack medicine advertised to cure everything. There is nothing in the principles so solemnly laid down by X which would render any one

of these enactments more impossible than those which he himself contemplates.

No one can doubt that the majority of voters could enact them all through their Governor, if the enactments happened to coincide with what X calls "their way of thinking" at the moment. But if such enactments were made by the so-called all-powerful majority, what would be the result? If a law forbade the citizens to eat enough to keep themselves alive, either the law would be disregarded—in which case it would not be a real law at all; or else, if it were obeyed, the entire population would die. If a law forbade any citizen to labor, the majority of the citizens might be delighted with it on Monday, but on Tuesday they would disregard it, or all of them would die likewise. If a law was passed which deprived fathers of their children, the parchment on which it was written would shrivel in the common fires of humanity. If a law forbade the sick to take anything but a single quack remedy, a week's obedience to the law would render it a dead letter. In short, if any one of these ridiculous laws were enacted, the citizens themselves would refuse to pay the least attention to them as soon as they realized their consequences; and the work which they did as legislators they would tear to pieces as men.

And why? By what power would their legislation be rendered nugatory—by what power which is still more sovereign than the sovereign democracy itself? The power is a double power, and voters contend in vain with it. It is the power of nature and of human nature. Just as the laws of nature must determine all legislation as to building, limiting the powers of the most democratic government more stringently than any king or Kaiser to laws which are in conformity to the nature of the materials used, so do the constitution and propensities of the common human character limit legislation generally, and confine it within certain channels.

All this X and similar thinkers forget, X fortifies

himself in his doctrine of the unlimited power of majorities by a quotation from Lord Coleridge, the English judge and lawyer. "The same power," says Lord Coleridge, "which prescribes rules for the possession of property can of course alter them"—the power to which Lord Coleridge refers being the will of the majority at whatever moment may be in question. Lord Coleridge may have been a clever lawyer, but he was a very childish philosopher. Because, in any country, the formulation and enforcement of laws have for their proximate cause the will of the governing body, to thinkers like Lord Coleridge, and to X who appeals to him as a master, it seems that the laws have in this their ultimate cause also. What Lord Coleridge calls "the rules of possession" are, according to him, the arbitrary creation of the body which prescribes them in formal words, and provides punishment for such persons as transgress them. But this is a secondary process, not a primary process at all. Lord Coleridge is simply inverting the real order of things. Half the existing rules prescribed as to the possession of property in any civilized country to-day have for their ultimate object the protection of family life, the privacy of the private home, and the provision made by parents for their children. But family life is not primarily the creation of law, or of prescribed rules. It is the creation of instincts and affections which have developed themselves in the course of ages. Instead of the law creating family life, it is family life which has dictated, and called into being, the prescribed rules which protect it. X, as a disciple of Lord Coleridge, appears to be under the impression that the practice of bequest in this country has nothing behind it but the statutes which now authorize it in the various States of the Union. What is really behind it is a universal propensity of human nature, a powerful and inveterate affection, which prompts the father to work for his children no less than for himself, and desire to pass on to them the advantages

which his own efforts have obtained. Law merely sanctions and gives precision to conduct which has a deeper origin than legislation. Property is not primarily the creation of law. Law is called into being by men's practice of acquiring property, just as the legal rights and the legal duties of parents owe their being to the unalterable facts of parentage. Laws, or prescribed rules, as Lord Coleridge calls them, are like clothes. Clothes can be varied indefinitely, within limits, by majorities from time to time; but the clothes must all be such as will adapt themselves to the human body and its movements. The will of the majority may prescribe the rule that trousers shall be tight or loose, that they shall be black or brown or bright green or vermillion; but no majority can prescribe that they shall be only three inches round the waist, or that both legs shall be put into a single trouser, or that sleeves shall start not from the shoulder, but from the pockets in the coat tails. To say, therefore, that majorities can enact any laws they please which are in accordance, as X puts it, with their own way of thinking (if we mean by laws laws that can be carried into effect), is nonsense. The power of the voters is hampered in every direction by the physical constitution of the beings for whom the laws are made, and the prevalent traits of their moral and intellectual character.

The curious thing with regard to X is that he recognizes this himself; though he utterly fails, in spite of his philosophic eminence, to put two and two together and see how this fact conflicts with the omnipotence which he ascribes to legislation. Let us go back to his assertion which I just now quoted, to the effect that the majority of the voters in New York State could easily limit incomes in any way they pleased, and could, with even greater ease, prohibit all bequest and alienate the property of every man at death; and let us see what he hastens to say the moment after. The powers of the voters, which he is apparently so anxious to invoke,

would, he says, be practically less formidable in their action than timid persons might anticipate. And why would they be less formidable? Because, says X (and I give you his own words), although "each man, by reason of his manhood alone, has an equal voice with every other man in making the laws governing their common country, and regulating the distribution of the common property . . . (yet) immense and incalculable differences exist in men's natural capacities for rendering honest service to society. Encouragement should be given to every man to use all the gifts which he possesses to the fullest extent possible; and, accordingly, reasonable accumulations and the descent of these should be respected." They should, says X, be respected. Yes—but for what reason? Because, he says, they encourage exceptional men, whose services are essential to society, to develop and use their capacities to the utmost extent possible; and this is merely another way of saying that, without the encouragement provided by the possibility of accumulation and bequest, the exceptional capacities would not be developed or used at all. Moreover, the amounts which may be accumulated and bequeathed, although they will be limited, must, says X, be considerable. Here again we pause to ask the question why? And the answer is obvious. It lies on the face of the entire reasoning of X. It is an answer referable to the character of the particular class of men in question—of the men whose capacities are greater—and in especial of those whose capacities are, as X expresses it, "immensely and incalculably greater"—than those of the mass of their fellow-citizens. These men will not do what is wanted of them unless they are stimulated by a reward which is felt by themselves to be adequate; and what is adequate is decided by their own characters and temperaments, not by any ways of thinking prevalent among other people.

X proposes that they shall be allowed to accumulate and bequeath up to a million dollars. Why does he put

the amount at a million dollars, and not cut it down to a thousand? Because he evidently recognizes that the men whose capacities are immensely and incalculably above the ordinary would not be tempted by a reward which, reduced to its smallest proportions, was not comparatively at all events large. X says, in his formal statement of his case, that the amount of the reward is to be determined by what the citizens think sufficient; and he suggests his million dollars as the sum on which most probably they would fix. And it is, of course, imaginable that the citizens, in making such an estimate, might be right. But what X fails to see is this, that if they were right, the sum would not be sufficient because the citizens themselves thought it was. It would be sufficient because it was thought sufficient by the men of exceptional capacity, at whose thoughts the citizens would have made a shrewd or a lucky guess. The fisherman may make a hundred different kinds of fancy flies, thinking each sufficient at the time; but it lies with the trout to determine whether or no he will rise to them. It is a question not of what the fisherman thinks, but of what the trout thinks; and the fisherman's thoughts are effective only when they coincide with the trout's.

With what intellectual carelessness, and yet with what a solemn self-confidence, thinkers like X, with socialistic or quasi-socialistic sympathies, approach such questions as the present, may be seen still more clearly by going a little further into the details of the arguments and the proposals of X. He represents the relative positions of the exceptional man, such as the great inventor or organizer, and the masses, by means of the following dialogue between the two: "I have," says the inventor, "discovered something which will be greatly to your advantage. What compensation ought I fairly to receive for it?" And the chosen representatives of the people, speaking for them, answer, "It is for the general advantage to encourage useful inventions; therefore, if

we find your invention useful, we will give you the exclusive right to the profits of it for fourteen years"—it being of course understood, as before laid down by X, that these profits shall not exceed an average of fifty thousand dollars a year. Similarly, "the manager and initiator of a great industrial enterprise says to the American people, "I wish to devote myself to your service. What will you allow me to withdraw from the common property for such service?" The American people in their generosity answer, "We will give you as much as we give the President of the United States; and while we give him the compensation for eight years only, we will give it to you for the active years of your life." "It is difficult to see," X adds with amusing naïveté, "how any undue restraint would be placed upon any energy or ability of a beneficent character," if the law were to limit the possible gains of such ability to an income of something like fifty thousand dollars a year, and to place a corresponding limit on the amount of capital which could be bequeathed.

Now let us suppose that the American people to-day strike some such bargain with the inventor of some new means of traction, which will increase the speed of trains, while diminishing their expense and danger. The invention works well, and the inventor for fourteen years draws the maximum profit allowed, namely, fifty thousand dollars a year. But meanwhile he has seen his way to making his invention still better, or to producing another of quite a different kind, and even more generally beneficial, if only the community will offer him the required inducement, or, as X says, the requisite encouragement, to do so. But if matters are conducted according to the principles of X, the community is able to offer him no inducement whatever; for he already enjoys the maximum which his country, its its generosity, will allow him; and though his further exertions might enrich it with untold millions, his country will be obliged to tell him that he shall not

keep a cent of these for himself. What then will happen? If the original compensation was necessary, as X assumes it was, in order to encourage the man to achieve his first great success, the impossibility of his receiving any such encouragement again will be equally operative in discouraging him from pushing his success further. In short, if the principle of which X so glibly says that it is hard to see how it could check the development of ability, were really applied to ability in actual life, its most obvious effect would be to render able men sterile at a period of their industrial life, which was early and premature in proportion as their ability was productive; for in proportion as their ability was productive, the earlier would the time be reached by them at which their efforts would have gained for them the utmost number of dollars which the State, by way of encouragement, would allow them either to enjoy or to bequeath.

Let X, then, and the socialists say what they please, the formal legislation of majorities, beyond certain limits, is impotent. Just as the power of no democracy could make the ordinary man thrive and labor on less food than would nourish his body adequately, so can no power of democracy make exceptional men develop and use the exceptional powers latent in them, under the stimulus of motives which these men themselves do not feel to be sufficient.

Society, in short, may be compared to an electromagnetic engine which works by the pull of magnets—or, in other words, their needs and their ambitions. Men are pulled into their primary activities by their more or less equal needs. In proportion to their capacities they are pulled into their supplementary activities by the magnetic attraction of a multitude of attainable objects, which vary in accordance with what Ruskin calls the indefinitely varied romance of their desires; and, in an economic sense, that society becomes richest which offers, in the shape of prizes to exceptional eco-

nomic efficiency, the most powerful magnets by which such efficiency may be actuated. And here let me call your attention to an extreme, but not impossible, case.

Let us suppose that the main desire which moved exceptional men to devote their capacities to the augmentation of their country's wealth was the desire, by retaining at least a considerable proportion of their own products, to retire from the business of production at a certain period of their careers as possible, and to join a class which, whether idle or active otherwise—whether devoted to mere pleasure, or to philanthropy, or an enlightened patronage of the arts, or to speculative thought and study—was itself in an economic sense altogether unproductive. Now, in order to join such a class, and to work with a view of joining it, society must be so organized that such a class can exist; and the fact of its existence would constitute the main moral magnet which, on our present hypothesis, would be essential to the development of the highest kinds of economic power. Such being the case, the following conclusion reveals itself, which, though at first sight it may seem a paradox, will be found on reflection to be self-evident—the conclusion, namely, that a class which, if considered by itself, is absolutely nonproductive, may, when taken in connection with the social system as a whole, be an essential and cardinal factor in the working machinery of production, supplying, as it would do, by the mere fact of its existence, the magnetic or attractive power by which the machinery was kept in motion.

The case is, as I have put it, an extreme one; but, with qualifications differing in different countries, it has its counterpart in fact. If men do not work in order to secure leisure for themselves, they work in order to secure leisure for their women. And here I may mention in passing (for I cannot go into the subject now) that one of the most interesting and most important inquiries for the economist would be an inquiry into the influence of women in the sphere of economic action.

I do not refer to women as the competitors of men in the labor market. I refer to them as affecting the quality of men's ambition. There are populations to-day—I might almost say nations—which live on woman's desire for feathers and furs and diamonds; and here we have merely the fringes of woman's influence—the narrow fringes, noticeable because they gleam and glitter. What would X or Lord Coleridge say as to facts like these? Would they say that a woman's appetite for wearing diamonds in her hair owed its origin to the rules prescribed by legislators, which punished one woman as a thief if she took away the diamonds of another? Legislation can regularize or regulate the operation of tastes and motives, just as by locks and dams men can regulate the flowing of a river; but if a given amount of efficiency is to be got out of certain men by applying to them the magnetic power of motive, no majority of other men can make a motive sufficient by agreeing to think that it is so, any more than they can determine the amount and the fall of water required to get a given amount of work from a water-wheel, merely by declaring that as much water as they wish to spare ought to be sufficient to supply as much power as they demand. A group of Hottentots might as well expect an American or a Frenchman to fall in love with a Hottentot, because in their opinion her charms are sufficient to intoxicate everybody.

So long, then, as society desires to get the best work out of its citizens, and so long as some men are, in the words of X, "immensely and incalculably" more efficient than the great mass of their fellows, and so long as their efficiency requires, as X admits it does, some adequate motive or stimulus to induce these men to develop it, these men themselves, in virtue of their inherent characters, must primarily determine what the motive shall be; and not all the majorities in the world, however unanimous, could make an inducement sufficient if the particular minority in question did not feel it to be so.

The minority, then, whose efficiency is immensely and incalculably above the average, must, if the majority desires to retain and to profit by its services, necessarily remain in this respect the masters of the economic situation, nor could any conceivable form of socialistic legislation alter the fact.

It is no doubt quite possible that the inducements at present offered to industrial ability may be, in some cases, excessive, and could be diminished to a certain extent without rendering the ability any the less active. But, should this prove to be the case, and should the majority pass measures on the assumption that it was so, it would not be the case because the majority made the assumption, but because the assumption happened to coincide with the psychological traits of the minority.

All this that I have been urging may be suspected as an exaggerated attack on the principles associated with all conceptions of democracy; and not only socialists, but others, on this account may be inclined to reject it with impatience. I think I shall be able to show you that such objectors are very much mistaken, and that the exceptional powers of dictation possessed in some respects by the minority are so far from being inconsistent with the real powers of the majority, that the powers of the majority, when properly understood, do but illustrate the nature of the former, and are, indeed, their counterpart. For though socialism ascribes to majorities powers which they do not possess, we shall find that majorities do actually possess others, in some ways very much greater, of which socialistic thought has thus far taken no cognizance at all. The nature of these powers has been implied in what I have said already; but I now propose to deal with them in a more direct and more explicit way. I have said that minorities are able to dictate their own terms to any body of legislators which desires to secure their services, because they alone can determine what treatment will supply them with a motive to exert them-

selves. What holds good of the minority as opposed to the majority, holds good in essentials, though in a somewhat different form, of the majority as opposed to the minority.

Let me begin with an example from a sphere other than that of economics—I mean the sphere of religion. In no other sphere has the influence of great individuals been so vast, so far-reaching, so conspicuous, so notorious as in this. The mere mention of such personalities as Buddha, Zoroaster, Mahomet, and another greater than all of them, will show us that such is the case; and to these we may add the apostles, philosophers, and theologians who have spread and explained the respective gospels intrusted to them, and given by their saintly lives examples of the value of their teaching. But while nowhere is the power of the few more conspicuous than in the domain of religion, nowhere is the power of the many more conspicuous also. No religion has ever become established, and influenced the lives of men, unless its doctrines and its spirit have appealed to those spiritual wants which have been shared to a degree approximately equal by all the multitudes among whom the religion in question has been established. Thus the Christian doctrine of the Atonement would never have been accepted by men, it would never, indeed, have conveyed any meaning to them, if there had not been something in their nature corresponding to a sense of sin; and the universal effect which this doctrine had on all classes alike throughout the Christian world shows that this something which corresponded with a sense of sin was one of those characteristics in respect of which there was a general equality, and that the acceptance of the doctrine was therefore a true act of democracy. For true democratic action is, in its essence, this—an action arising from a spontaneous coincidence of a multitude of thoughts and feelings, which happen to be identical not because those who entertain them have allowed their thoughts and feelings

to be determined for them by the same leaders, but because with regard to the points in question they naturally themselves think and feel identically.

Let us now turn again to a matter to which I have referred already—namely, the family life of the citizens of any race or nation. This results from propensities in a vast number of men which, although they are similar, are in each case independent. These propensities of the many give rise to legislation the object of which is, as Lord Coleridge says, to prescribe rules by which their satisfaction may be regulated and made secure. But the propensities are so far from originating in the legislation that no legislation which ran counter to them would be tolerated. Socialists themselves have continually admitted this, and many of them have deplored the fact, declaring that nothing constitutes so formidable an obstacle to socialism as the obstinate affection with which men cling to family life. The Italian socialist, Giovanni Bossi, who attempted about fifteen years ago to found a socialistic colony in Brazil—an attempt which completely failed—attributes its failure largely to this particular cause. "If I had the power," he writes, "to banish the greatest afflictions of this world, such as wars, plagues, and famines, I would renounce it, if, instead, I could suppress the family."

Here we have an example of pure practical democracy rendering what affected to be democratic legislation powerless. We have the cumulative power of similar human characters compelling legislation to limit itself in accordance with what these characters demanded. And now let us go a step—a very short step—farther. The family propensities in question show their dictatorial power not only in the limitations which they impose, but also, and even more openly, in the material surroundings of existence—especially in the structure of the dwellings of all classes except the lowest. The detached cottage, as well as the large mansion, and

the tenement of three rooms, are in one respect all alike. They are constructed with a view to keeping the family group united, and each family group separate from all others. Nor do matters end here. For if the spontaneous propensities which result in family life affect the structure of the dwelling, other propensities, more various in detail, but in each case equally spontaneous, determine what commodities shall be put into it.

And this brings us back to our own particular subject—namely, the power of the few and the many in the sphere of economic production. The man of exceptional industrial capacity becomes rich in the modern world by producing goods or by rendering services, which the many consume or profit by, and for which they render him a return. But in order that they may take his goods, and render him a return for his services, the goods and the services must be such that the many desire to have them. All the productive powers that have ever been possessed by men of the highest economic ability would be absolutely futile, unless the commodities which they cheapened and multiplied, or the services which they were employed in rendering, satisfied tastes or wants existing in various sections of the community. The eliciting of these wants or tastes depends very often, and in progressive communities usually, on a previous supply of the commodities or services that minister to them. Thus the introduction of railways, of the telegraph, of the telephone or the electric light, preceded any popular demand for them; just as many a great writer, according to the well-known saying, has to create the taste by which he is to be appreciated. But the writer could not create this taste—or, in other words, make it actual—unless it existed already in human nature as a potentiality: nor could the inventors and introducers of the electric light have made the general public anxious to have it in their houses if mankind at large entertained no wish

whatever to do anything but sleep in darkness between the hours of sunset and sunrise.

The wants and tastes, then, to which the ability of the few ministers, whether common to all men, like the desire for food, or developed by influences from without, like the desire for electric lighting or telegraphic communication, are, when once they are in existence, essentially democratic in their nature. Each customer is like a voter, who practically gives his vote for the kind of goods which he desires should be produced and supplied to him. He gives his vote under no compulsion except that which arises from his own internal character; and those men whose ability multiplies and cheapens the goods are unable to alter his character, and are imperatively obliged to be guided by it.

Thus while, so long as the productivity of labor is sustained and augmented by the ability of the few who direct it, the ordinary man can never be free as a laborer, he is free, and must always remain free, in respect of his tastes as a consumer. A man employed in a brewery may be ordered about by an employer in respect of his technical actions; but no employer could make him like or buy the beer if his palate found it nauseous, and if he preferred whisky. In other words, demand is essentially democratic, while supply, in proportion to its sustained and enhanced abundance, is essentially oligarchic. Now, that demand is essentially democratic, and depends on the tastes and characters of those by whom the demands are made, nobody will be inclined to deny. But if, turning our attention from society, taken as a whole, to the exceptionally able minority on whom the business of supply depends, we shall find that they, as suppliers, make their own demand also—a demand for a recompense, not indeed equal to the value of the whole of the goods produced by them, but bearing a proportion to it which is, in their estimation, sufficient; and this demand rests on

precisely the same basis as does that of the public customer. It rests on the tastes and the characters of the men who make it; and it is just as impossible for the many to decide by legislation that the few shall put forth the whole of their exceptional powers for a maximum of fifty thousand dollars, if what they want is a hundred thousand, as it is for the few to make the many buy bad beer when they want good, or green coats when they want black.

That is to say, so long as the wealth of any country depends, firstly, on the average labor of a multitude of average men, and, secondly, on the ability of exceptional men by which the products of average labor are multiplied, the demands of these few are coördinate with the demands of the many; and unless the fructifying power of ability is to be dispensed with altogether, they are bound to impress themselves equally on the economic structure of society. Just as the character of the many dictates terms to the few, so does the character of the few dictate terms to the many. So long as production depends on men of vastly unequal capacities, legislation can no more reduce the positions of all men to a level than we can create a solid tableland by throwing a blanket over the hills and valleys.

A question, however, still remains to be answered. If the power of the majority is in reality limited, as we have seen it to be, both in the domain of production and politics—if instead of producing all wealth by its labor, it produces only a fraction of it; and if, instead of being able by its votes to enforce any laws it pleases, it is limited on all sides by the complexities of human character, I repeat a question which I referred to in a former lecture, and ask how contrary opinions have arisen not only among uneducated, but among many educated men, that the labor of the many is the sole power in production, and that the votes of the many are potentially the supreme power in legislation. Why is one or other of these opinions, or both of

them, asserted over and over again, as though it or they were indubitable, by so many distinguished men, such as Ruskin, Carlyle, Tolstoy, the philosophic X and nonsocialistic members of the existing British Government? For so general a fact the reasons must be equally general. I have already dealt with one of them—namely, certain errors which have been popularized by imperfect economic science; but there are others. The opinions in question are due partly to optical delusions. They are partly what, in Ruskin's phrase, we may describe as "pathetic fallacies," and the latter reënforce the former.

What I mean by saying that they are partly optical delusions is this: that to anyone who considers the surface of things—and we can none of us escape its influence—the many, the people, the average men, the laborers—have the appearance of doing everything. This is the impression which, spectacularly, they produce on all of us. If, for example, we watch a great ship being built, or crude iron being converted into steel, we see laborers everywhere. We see muscular arms moving. We see adroit hands wielding hammers, which fill the air with ceaseless sounds of riveting. But the forces which direct all this multitudinous labor—the minds which have mastered the secrets of metallic chemistry, or the subtle lines and subtly balanced proportions which will enable the great ship to walk the waters like a thing of life—these are hidden away in secluded offices, or remote studies or laboratories; and even when we have identified them, they are to ordinary ears silent. Further, on the impression produced by this spectacular contrast, supervenes the reflection that the work performed by ability, even if important, is performed with ease, while the labor of the many involves visible strain; and sympathy with those who seem to bear the harder burden inclines us to exaggerate their share in the productive process, representing it as proportionate to what they undergo, rather than to what

they really produce. When the laborers suffer, or are thought to suffer, any real injustice, this sort of exaggeration both in thought and statement is, for those who sympathize with them, irresistible.

Then again there is generated a similar optical delusion, accompanied by an analogous, though a different kind of emotional delusion, by the spectacle, in democratic countries, of the many as a force in politics. The various ways in which the power of the many is limited are hidden, and escape our vision. All we see is certain given candidates, or given policies, prepared like scales of a balance, into one or other of which the voters cast their votes like so many equal weights; and into whichever scale the majority of these weights is cast, the majority that cast them is bound to win the day. That the voters can, except on very rare occasions, do nothing but choose between courses which have been formulated and submitted to them by a minority—that the chosen course itself can only be followed out in practice on condition that it is consonant with the needs and the working principles of human nature—these facts do not appear on the surface. We see nothing but the multitude of voting units, whose votes, given or withheld, make or mar the statesman, no less absolutely than the favor of a French king once made or marred a courtier statesman at Versailles. For this reason the democratic statesman of to-day is constantly impelled, no less than was the courtier, to flatter and cringe to the sovereign who can bestow on them, or withhold from them, the power and the position which they covet. Louis the Fourteenth said, "I am the State"; and the courtiers who competed for his favor bowed their periwigs in acquiescence till they touched the sovereign's boots. The democratic politicians of to-day say the same thing to the voters—"You are the State. You are the fountain of power and honor. You are able to do everything"; and they accompany these acts of homage by obeisances yet more profound. In

what they say there is an undoubted element of truth, but they exaggerate it till it becomes nonsense; and by repeating their exaggerations they come at last to believe in them. Their phrases become part of the general language of to-day: and what their phrases express becomes part of the general thought.

Then again a similar kind of flattery is bestowed on the people for reasons of a higher kind. If we believe that there is anything sacred in man as man, then any one man in respect of this is the equal of every other, and the numerical majority, which must always be the manual laborers, becomes morally synonymous, whether as voting or laboring, with humanity itself in its moral needs and struggles. The claims of the majority, when they are thus regarded, seem so paramount that many generous enthusiasts cannot conceive that they have any limits; and spiritual values become, alike in their language and their thoughts, convertible terms with political omnipotence, and with industrial or economic efficiency.

There remains, however, yet another reason for the current exaggerations as to the position which the majority—the average men, as distinct from the exceptional men—hold; and this reason is more potent than any of those just mentioned. Masses of ordinary men, or even men inferior to the average, possess, when circumstances cause them to act in concert, powers which, as related to their immediate objects, are really so great that it is hardly possible to exaggerate them; and they are not only great, but they are formidable. Of these powers, that most familiar to the modern world is the strike. A gifted employer may be ready to endow the world with inventions or products which would not only enrich himself, but would also cheapen and improve the food, or minister to the comfort of millions; but if the mass of laborers required to give effect to his designs refused his wages, and unanimously declined to work, this one man confronted by several

thousand would be practically impotent so long as they maintained their attitude. Still more impressive in their exercise are those further and fiercer powers which, as history shows us, reside in mere numbers also. I mean those of riot and terrorism and physical force generally. Paris is sufficiently familiar with manifestations of power of this kind—with shattered palaces, with barricades and streets running with blood; and a similar familiarity has been lately acquired by Russia. If we look back into the remote past, we encounter the same phenomena. The physical power of numbers was often felt in Rome, notably in connection with the agrarian laws. There have been peasant risings in Germany, Bohemia, and mediæval England. All this is not only true but obvious. The power of the many as against the few is, in certain respects, invincible. No wonder, then, that in the presence of facts like these an impression is produced that the many can do everything. But if we consider all the many deeds, of the kind now in question, which the many in such moments of triumph have ever actually accomplished, or from the nature of the case can accomplish, we shall find that they all of them fall into the same category—that they are not positive, but negative; that they are obstructive, not productive; that they are destructive, not constructive. In many cases even an individual can do as much as a crowd. It took a crowd to demolish the Bastille: but the temple of Diana at Ephesus—renowned as one of the wonders of the world—was burned down by an individual, who became immortal as the arch-fool of antiquity. But because the fool could destroy the temple, does it follow that the fool could rebuild it? Any mischievous boy, with a bit of iron or a log, could upset the most powerful locomotive ever built by human ingenuity. But the boy could not build the engine, any more than Sir Isaac Newton's dog Diamond could himself do over again the elaborate calculations he had destroyed. And multitudes are, in the most formidable

display of their powers, nothing more than Newton's dog multiplied. They may sometimes destroy what is injurious along with what is useful and necessary. But the force which enables them to destroy gives them no capacity to reconstruct. A monarchy having been destroyed by the power of a mere multitude, and another government having been formed which successfully takes its place, the latter may be the work of men who were members of the destructive multitude yesterday; but it would not be the work of the miscellaneous and destructive multitude itself. It would be the work of individuals isolated from their former companions and superior to them. A mob, with a few painters included in it, may destroy the contents of a picture gallery; but if any new pictures are to take the place of the old, it will be the few painters, and not the mob, that will paint them.

The same fact is illustrated in a less sensational, but a more direct, way by the power of the many, as embodied in the modern strike. The strike being essentially an economic or industrial movement, it is held to exemplify the power of labor in the sphere of economic production. In reality it does nothing of the kind. I am not for a moment saying that strikes are not often to be justified; but, however justifiable they be, or however unjustifiable, no single power is exerted in them or represented by them which tends to produce anything—so much as a blade of grass. Still less do strikes represent those higher forms of mind and energy on which the larger part of the productivity of modern labor depends. They represent not labor, but the power to abstain from laboring. Such being the case, they are limited not only in their scope, but also in respect of the time for which they are able to exert themselves. The more extended a strike is, the more inevitable is its early end—an end caused not by the surrender of labor to capital or of capital to labor, but of labor to the necessities of nature, which decrees that

the majority must work, unless one and all are to starve.

The many laborers, in striking against the few directors of labor, can avoid ruin to themselves and secure advantages only by hampering the latter, not by paralyzing them. If the men, for instance, employed in some great chemical works, could permanently paralyze the employer who was the brain of the industry, the business would fall to pieces: and the men, instead of securing a higher wage, would destroy the source from which the wages flow. But by harassing the employer—by making his business difficult without making it impossible—strikes, or the menace of strikes, are doubtless a powerful weapon in securing for the laborers wages and general conditions superior to those which they would probably have obtained otherwise. The harassing, however, as experience shows, cannot be carried beyond a certain point without reacting on the men themselves. Injudicious strikes have over and over again killed the industries on which the strikers depended—or at all events killed them so far as their original localities were concerned.

Now to many people it will seem that the great fact here revealed is the extraordinary weakness of the position of the capitalistic director of labor. If a strike in one industry, or at all events a succession of strikes, can thus paralyze the employer and render his capital useless, what may not a strike do which is national or international in its proportions? The directing class, when its position is thus considered, appears like a hare quaking at the footsteps of a giant, and ready to disappear on his approach. But let us only consider the life of any nation, not as it may be for a few exceptional days or weeks, but as it must be when taken as a whole—the normal life which must be soon resumed, let the interruptions of it be never so violent—and we shall see that this weakness of the directing class is really the main element of its strength; and that the circumstances which give labor its maximum

of antagonistic force are really the main elements of its weakness. The smallest body of soldiers that ever took the field could kill the greatest general that ever led them to victory. If a ship's crew mutinied in mid-ocean, any cabin boy could smash the ship's chronometers, throw the sextants overboard, and put a match to the charts. But with these frail implements gone, what would the mutineers do? They would be as lost and helpless on the ocean as a bewildered child lost on a prairie of endless snow. The case is similar with the great mass of mankind who exercise the average manual faculties of which the average man as a productive agent is capable, and the minority of leading minds by whom their labor is guided and coördinated, and made indefinitely prolific, instead of comparatively sterile. During the French Revolution a chemist was condemned to death on the ground that he was an aristocrat. Attempts were made to induce the revolutionary tribunal to spare him on the ground of his scientific eminence; and the answer of the tribunal was this—"The Republic has no need of chemists." Nothing could better express the state of mind prevalent among those who are so heedlessly proclaiming to-day the economic omnipotence of labor as opposed to the forces and classes by whom labor is directed; and the insensate folly of the view which is thus so confidently promulgated has, since the days of the French Revolution, been illustrated in the most striking and dramatic manner by some of the most striking facts of subsequent economic history. Not only has France itself since then been obliged to restore conditions which make the life of the chemist secure, but the great rival of France, and the industrial rival of Great Britain—namely, Germany—has, solely by the genius of its chemists, as applied to economic processes, established industries—notably those connected with dyeing—which are the source of livelihood to thousands and tens of thousands of laborers, who would, were the talents of a few hun-

dred chemists paralyzed, not know to-morrow where to turn for a crust of bread. Henry George said, not very consistently with a certain portion of his arguments—those in which he so strenuously defends the rights of the private capitalist—that to place the control of the many in the hands of the few was to stand a pyramid on its apex. To him this seemed an absurdity; and, if we take a spectacular view of things—if we view things from the outside only—no doubt it is so. But the dynamic truth is the exact reverse of the spectacular truth. Dynamically it is precisely the apex or the head on which the social pyramid actually does stand. Soldiers realize this when they guard the life of their general. His life, they recognize, is as important to them as it is to himself. And I believe I am right in saying that the more practical and hard-headed representatives of labor realize that, given the possibility on their part of making a reasonable bargain with employers, their own prospects are good, bad, or indifferent, according as their labor is directed by the intellect, the knowledge, and the strenuous and keen sagacity of the picked men of the day. In all production there are two partners—the laborers and the director of labor; and those laborers have the most ample opportunity of securing and increasing their own welfare whose labor is coördinated and directed to the best productive advantage, just as the crew of a racing yacht have the best chance of securing the honorarium due to them in the event of victory, who sail under the best captain, and who man the boat designed by the most accomplished naval architect.

LECTURE VI.

Delivered before The League for Political Education,
New York City

I have received suggestions from many quarters, whilst I have been engaged speaking about socialism generally that I should say something about the form of it which is specialized by the name of Christian. Now the phrase of Christian Socialism has a long history behind it. It was used first in England, by Maurice and Charles Kingsley; but in their later lives I believe myself to be right in saying that they quietly dropped it as inapplicable to their own more matured views. At all events it is a phrase which has had many meanings; and when I was asked to discuss it as an actual creed, or doctrine, held and preached to-day, it seemed to me to be too indeterminate to admit of being discussed to any purpose. For all I knew to the contrary Christian Socialism as a doctrine preached to-day in America might be as different from ordinary socialism as Christian Science is from science as understood generally—as different as the science of Mrs. Eddy is from the science of Mr. Edison. I knew indeed from my experience both of this country and of England that the clergy, as representatives of Christianity, have frequently of late years been entering on the domain of economic discussion, and had been seeking to apply in one way or another the precepts of their religion to the industrial problems of to-day and not, as it seemed to me, with very signal success. The late Bishop of Durham, for instance, who I think actually called himself a socialist, once proposed that, as an instalment of the new industrial millennium, the British navy should be constructed by a group of co-operative laborers. The only impression which this suggestion produced on my own mind was that the enemies of England would receive with unbounded delight the news that the Bishop's

suggestion was really being carried into effect. But, as I said, my knowledge of what Christian Socialism means to-day in America was far too vague to enable me to make it the subject of any definite criticism.

I have, however, received lately a more or less elaborate article by one of its recognized exponents and this has been sufficient to invest with some definite form opinions the nature of which I could previously but shrewdly conjecture. I propose, therefore, presently to deal with this article as a text. But first, with your permission before dealing with socialism in its Christian form, I will, for clearness' sake, say a few words about socialism of the secular and more ordinary type. In doing this I shall necessarily have to repeat, but only in a summary way, the main criticisms I have been making in other places on ordinary socialism already. I shall now, however, be able to add to these one new feature—namely, an examination of the best counter-criticisms with which the more educated socialists in this country have been able to urge in reply to me: and I hope to show you that, instead of disposing of what I have said, these counter-criticisms really do nothing but establish and illustrate the validity of the main points on which I myself have insisted.

Let me begin then with my criticism of secular socialism in general: and then, having seen what secular socialism is, we shall be able to consider how Christian socialism differs from it.

I begin by dividing secular socialism, as a definite economic creed, into two kinds—that, namely, which is preached to the multitudes, and to the ordinary passing workman: and that which is enunciated to a public comparatively small, by socialists who bring to their subject a good deal of education, and also of intellectual acuteness, and are anxious to vindicate socialism in the face of other thinking men. I said, moreover, that, for practical purposes, by far the most important question was that of what socialism is as expounded to

the general multitude. Its more intellectualized forms having an importance which is at present secondary.

Such being the case, I pointed out that, as an instrument of popular agitation, socialism was based on the doctrine which Karl Marx managed to invest with a semblance of scientific truth, to the effect that all wealth is produced by ordinary manual labor, and that all wealth ought consequently to go to the laborers. This doctrine I examined with the utmost care, and I think I may say that I stated it with the most elaborate fairness. I especially showed that, in some respects, it was not so crude as it seemed to be. Thus I mentioned that the Marxian doctrine, though insisting that manual labor is the sole producer of wealth, naturally implies a human mind directing the laborer's muscles; and I pointed out further that, though Marx, as a general fact, maintained that the labor of all laborers was so equal that the amount of wealth produced by it might be measured in terms of time, yet he in this, precisely resembling Ruskin, recognized the existence of exceptional manual skill, and that his principles would justify an hour of skilled labor receiving a reward beyond that of labor of the ordinary kind. The meaning of Marx with regard to skill has been well and elaborately elucidated by his follower, Laurence Gronlund, who explains skilled labor as a faculty which has taken a long time to acquire, so that every hour employed in its perfected exercise represents not that hour only, but also the previous hours which were spent in bringing it to perfection. Thus if we divided a skilled man's working life into two halves, of which one was spent in acquiring his skill and the other half in exercising it, each hour during which he exercised it would in justice count as two.

But even if we give to Marx, and those who reason about labor as he did, the full credit due them for this recognition of skill, I pointed out that their doctrine was just as important to explain the productivity of industry as it exists to-day, as it would have been had

they taken no account of skilled labor at all. The doctrine of Marx, as to the all-productivity of labor is, so I pointed out, virtually quite adequate to explain the production of wealth in very early communities, and even in certain remote and primitive groups to-day; but the amount of wealth per head of the industrial population in such communities is proverbially small in amount, and very meager in kind. It affords a contrast, and not a parallel to, the amount and kind of wealth produced under the modern system. What is produced per head in the latter case is indefinitely higher in quality, and more than ten times greater in quantity, than what is produced in the former: and the question is, therefore, what is the cause of the difference—the small output and the great? No reference to skill or the exceptional craftsmanship of individuals will provide us with any answer: for mere exceptional skill, as we see in the case of an illuminated missal, or a cup by Benvenuto Cellini, whilst it will produce individual commodities of almost priceless value, will produce only a few of them, and the cost of these will be extravagant, whilst the kind of commodities which are typical of modern production is a kind which is distinctively cheap and susceptible of indefinite multiplication. Indeed, in the production of any article of modern wealth, the necessity for rare skill is a drawback, and makes the supply of the supply at once costly and uncertain. The great factor which differentiates modern production from production of all other kinds has nothing to do with the operation of ordinary or even skilled labor, but consists in the mental faculties by which labor is directed: and to these faculties I give the name of ability—a name which has this advantage that it has, of recent years, been adopted by a considerable number of the thoughtful socialists themselves, as indicating certain powers residing in the minds of the few, on which it is admitted by them that the efficiency of ordinary labor depends. I further pointed out that between

labor and directive ability the difference was one not of degree but of kind, and that labor, whether skilled or unskilled, stood for the mind of a man directing the operations of his own private pair of hands, these operations ending with the handiwork on which the man is engaged, and not affecting the handiwork of any man except himself. Ability, I said, on the other hand, stands for the mind of some one man, not affecting any labor of his own hands at all, but influencing simultaneously the labor of any number of other men. And of this fact I took as an illustration the case of a printed book. Whether ten thousand copies of a printed book have, in an economic sense, any value at all—whether or no they are exchangeable for anything else—whether anyone is willing to buy them, or whether they are so much refuse encumbering the publisher's warehouse, does not depend on the labor of the compositors, which may be equally skillful in the one sense or the other, but it depends on certain qualities resident in the author's manuscript, this manuscript constituting a series of minute directions, which from second to second the hands of the compositors conform to; and in this way labor of precisely the same amount and grade imparts to so many tons of printed paper the quality of much wealth, or little wealth, or perhaps no wealth at all, in accordance solely with the manner in which this labor of arranging the type is directed by a mind altogether external to the minds of the compositors themselves. And the same reasoning applies, I said, to all modern industries whatsoever—to the building of a great ship, to the production of complicated machinery, or to the use of such machinery in producing goods which correspond with the tastes and the needs of the public customer. The productivity, in short, of the labor of the many in the modern world depends altogether on the directive faculties of the few. The many do little more than supply a minimum, or a unit, which the ability of the few multiplies.

That is to say, whilst the many, in modern as well as in primitive societies produce a minimum of wealth, without which there would be no wealth to increase, the increment, by which modern production is differentiated from primitive, is due to the direction of the few, and not to the labor of the many.

This is the substance of my criticism of the Marxim doctrine of labor, which I have lately been engaged in putting forward in this country, and what have the socialists of this country said in reply to this definite contention? Of the many replies which I have seen, the outcome of all is similar—namely that, with regard to the functions which I have ascribed to directive ability, as a productive force distinct from labor, I am right, and that socialists to-day are themselves quite aware of the fact, without wanting me to inform them of it. My critics, as might naturally be expected, vary greatly in education and intelligence, and consequently in the clearness and the fullness with which this admission is made by them, and to deal with them all in detail would be at once impossible and useless. The only practicable and the only course is to look out for some one critic amongst them, who is recognized alike by his own party and by others, as a man representative, in virtue of his culture and intelligence, of the best that his party can say on its own behalf, and such a man amongst my critics has been pointed out to me by various people, and in various parts of this country, and I have been told that if I would test the real intellectual strength of socialism to go straight to him. And fortunately the gentleman in question has rendered the following of this advice easy for me, for he has devoted a succession of columns in a paper called the "Worker" to an attack on those particular arguments of mine which I have just now summarized. This gentleman is Mr. Hillquit, who is, I am told, a lawyer, and because he is looked upon by his friends as their intellectual Ajax, an

examination of what he has to say is particularly interesting and instructive.

Well, out of the four columns which Mr. Hillquit devotes to me, the whole with the exception of some twenty lines at the utmost, is devoted to nothing but the kind of irrelevant talk with which lawyers so often aim at confusing the minds of jurymen. For example, he devotes a large part of his space to declaring that I have never read a line of Karl Marx myself; that my erroneous knowledge of his teachings is derived at second hand from reviews of him; that I say that his work on Capital was published about the middle of the nineteenth century, when it was really published in 1867, and he goes on to inform me that the first English translation of him was not published till a good many years later. As a matter of fact, I know Marx much better probably than Mr. Hillquit himself does, and of the English translation as to the date of which Mr. Hillquit instructs me, I was I believe one of the first people in England to have a copy sent to him. Further Mr. Hillquit occupies still more space in asserting that all I know with regard to the socialistic doctrines actually put forward to-day I have derived from "popular pamphlets." Now, what has all this to do with any serious argument? In especial let me ask where could I have found better or clearer evidence as to what socialism is as actually preached to the people than in the popular pamphlets which from day to day are addressed to them? What is Mr. Hillquit's criticism of myself but a popular pamphlet? Then, having wasted his space over mere verbal gesticulations such as these, he proceeds to demonstrate how little I understand Marx, by giving an account of his own of what Marx really teaches and, excepting in one particular, to which I will refer presently and as to which Mr. Hillquit is fundamentally wrong, Mr. Hillquit's account of the teachings of Marx is exactly the same as my own. There are only three short fragments out of his whole

four columns in which he ventures on anything like intelligible argument and with these I will now deal.

The first definite criticism on which Mr. Hillquit ventures is as follows: "It requires no special genius," he says, "to demonstrate that all labor is not alike and equally productive. It is still more obvious that common manual labor alone is important to produce the wealth of modern nations—that organization, direction, control, are essential to productive work in the field of economic production, and that mental labor is just as much a factor in the production of wealth as mere physical effort." In other words, Mr. Hillquit is vociferous in accepting what I have said as to the functions of directive ability, or the productive powers of the few, and declares that for socialists my insistence on these is a platitude. Having done this, the next article in his argument consists of the assertion that this recognition of ability finds a prominent place in the theory of Marx himself, and he proceeds to quote a passage which he adorns with many capital letters with a view to demonstrating that this assertion is correct. My statement, he says, that Marx considers nothing but manual labor, is triumphantly refuted by these words of Marx himself: "By labor power or capacity for labor is to be understood the aggregate of those mental and physical capacities existing in a human being which he exercises whenever he produces a use-value of any description." Precisely. But what Marx is here describing is the mental qualities of the laborer as affecting that laborer's own hands, and means neither more nor less than the skill of one individual as described by myself. It has no reference to the mental faculties which I spoke of under the name of ability, and the functions of which Mr. Hillquit says that socialists recognize as fully as anybody, and which consist of the mental faculties of one man directing and organizing the labor, skilled or unskilled, of any number of other men. This champion of intellectual socialism, if he is not in a state of com-

plete muddle himself, is merely endeavoring, like a lawyer, to confuse the minds of his jury, by pretending that he is continuing to speak about one thing, namely, the direction of the many by the few, when he has in reality gone back to quite another, namely, the labor of the many men themselves.

But the true character of Mr. Hillquit's whole argument is best exhibited when he really does at last come to close quarters with myself, and proposes to take as a test case the illustration which I myself have chosen. This is the illustration taken, as I explained just now, from the case of a printed book, the value of which as an economic commodity depends, I said, not on the labor of the compositors, but on the manner in which this labor is directed by the author, issuing his directions through his manuscript. And what has Mr. Hillquit got to say about this? "Whether a book," says Mr. Hillquit, "is a work of genius or mere rubbish, will largely affect its literary or artistic value, but it will have very little bearing on its economic or commercial value. Its market price will be fixed by the work of the compositors, and the paper makers." And Mr. Hillquit then goes on to say, the market price of a wretched detective story, of the same length as Hamlet and printed in the same way, will be precisely the same as that of a copy of Hamlet itself. It is difficult to imagine a confusion of thought more complete than this. We need not talk about the absolute genius of the author. It will be quite sufficient to talk about his power of gaining popularity; for this power will be a power embodied in his manuscript just as well as genius would, and he will be none the less a director of the manual labor of the compositors. Now, what Mr. Hillquit is doing, or perhaps pretending to do, is to confuse the minimum price at which an edition, say, of ten thousand copies of a book can be produced, with the commercial value of the ten thousand copies when completed. The cost of production, and consequently the

lowest price at which the copies can be sold at a profit or without loss, is no doubt determined by the cost of the labor of the compositors; but whether ten thousand persons, or five thousand, or only five, will be willing to pay this price, depends not on the compositors, but on the author, who according to his genius or merely some peculiar knack, hits or fails to hit the taste of the purchasing public. If the book is priced at a dollar, and the public will buy the whole ten thousand copies, the commercial value of the edition will be ten thousand dollars. If the public man provide five purchasers only, the commercial value of the edition will be five dollars only, plus what the rest of the edition can be sold for as so much dirtied paper. And what determines whether the edition shall commercially have a value of ten thousand dollars or five, depends, as any child can see, not on the labor of the compositors but on the directing mind of the author, or—to speak of it from the economic point of view—the author's directive ability. And this ludicrous assertion that books are commercially valuable only in proportion to the labor of typesetting and paper-making embodied in them is the final flower of this criticism of Mr. Hillquit's which he puts forward as being at once a defense and an exposition of socialism in the most reasonable form with which the intellect of this country can endow it, and is a crushing rejoinder to the criticisms which I have urged against it. It is difficult to believe that a man of Mr. Hillquit's reputation can really be the victim of an abject absurdity such as this. I should rather gather that the theory which he has taken up is like some mechanism to which he has bound his mental limbs, and which contorts him as a reasoner into all sorts of ridiculous attitudes; but his arguments, for this very reason, are singularly full of instruction; for this conclusion of his, as to compositors and the commercial value of books, with which he winds up his attack on me, is nothing more than a reversion to the doctrine that manual labor alone pro-

duces all commercial values, which doctrine he starts as rejecting as a fallacy which is too obvious for any socialist to hold, and in the exposure of which he says I am only wasting my pains. That Mr. Hillquit does not really entertain this opinion himself I take to be more than probable, and the explanation of his ending with reassuring what he sets out with repudiating, is this—that, if once the functions of the directive ability of the few are clearly recognized and asserted, and if labor in the modern world is exhibited as practically helpless without it, socialism, as an instrument of popular agitation would be paralyzed. He is, therefore, like other socialists, bound to speak with two voices. He is eager to admit the productive functions of ability, when he is addressing himself to educated men; but all the while, by a series of verbal substitutions and quibbles, he is preparing to reassert that nothing produces wealth but labor, as soon as he finds himself in the presence of any knot of laborers around the corner.

Here, then, we have a specimen of the arguments of secular socialists, who as thinkers admit that the principal producers of modern wealth are the few; and as agitators persist in asserting that everything is produced by the many.

And now, ladies and gentlemen, I have done with secular socialism, and will turn to that which distinguishes itself by the name of Christian. And I think you will soon see why, in order to deal with this, I have offered you all these observations about secular socialism as a preface. The exposition of Christian socialism, on which I shall base the following remarks, is taken from a paper called *The Christian Socialist*, and from an article in that paper which is called "The Gospel for To-day." It has been specially recommended to my attention as explaining and representing the Christian socialist attitude, and it struck me at once as giving in definite form the temper and opinions by which I had imagined that Christian socialism was distinguished.

Let me begin, then, with saying that Christian socialism, if we may judge it from "The Gospel for To-day," whilst resembling secular socialism of the more thoughtful kind, in acknowledging that the efficiency of the few, or men of economic ability, is an incomparably greater producer than the manual labor of the many, makes no attempt to obscure or to minimize this admission. Thus the writer from whom I am quoting declares that one cardinal error underlies all the principles of the individualistic democracy of to-day; and this error, he says, is "the assumption that all men are born equal in ability." Men, he proceeds, are not equal in ability. In the economic sense, as in all others, some men are incomparably more able than the great majority of their fellows; and even amongst the exceptionally able men some are more able than others are. Consequently, if the principles of modern individualistic democracy, and modern individualistic economics, are right, according to which the main motive of each is to do the best for himself with his own powers that he can—"if it is duty to compete, if competition is the life of trade, then the battle for self must ever go grimly on, the strong must subdue the weak, the rich the poor, the able the unable. Upon this basis the millionaires and the multi-millionaires have a perfect right to roll up their untold millions even as the workingman has a right to seek" whatever wages he can get. "All in different ways are seeking their own; and the keenest competitors are the best men. The prizes must go to the strongest and shrewdest competitors. It is the survival of the fittest."

Such being the case, then, asks the writer, what does Christian socialism aim at? It does not aim at making men equal in respect of their ability, for to do this would be quite impossible, but it aims at producing an equality of a practical kind, by inducing the men whose ability is most efficient and greatest to forego all personal claims which are founded on their exceptional powers. It aims at substituting what he calls co-opera-

tion for competition. This, he says, is the economic teaching of Christ, whose passion and death are described in a poem in the same paper, as having for their main object the economic freedom of labor.

The reckless sentiment which embodies itself in this poem—not the work of the author of "The Gospel for To-day"—pervades in a curious way the reasoning of this author himself. He sees certain broad facts of the situation clearly enough, and expresses them with perfect candor; but he submits nothing which he sees to any close inspection or analysis. He sees economic problems, and the entire process of modern production, as a man sees a mountain from a distance, at once illuminated and obscured by atmospheric conditions, and who fancies that to get to its summit will be a short and simple task, whereas countless fissures intervene across which there is no bridge, and precipices which yield no foothold—he having, indeed, no grasp whatever of the mountain's real conformation.

For example, to begin with this question of competition, the writer seems never to have considered in any detailed way, what economic competition in the modern world really is. Thus, he says that competition might work very well and be "fair" if all men were really equal. "The play of equal forces might bring about the good of the greatest number." But if they were really equal, in what way could there be any competition at all? If all men were equally able and energetic, or equally stupid and indolent, the services performed by no one man would be appreciably better than those performed by any other. This, however, is a minor matter; though it shows how easily sentiment may conduce to slovenliness of thought. A far more important point is that our Christian socialist keeps in his mind no consistent idea of what competition is as a factor in productive industry. He apparently starts with recognizing that it is, in its fundamental form, a competition in the production and multiplication of economic commodities; but he

constantly lapses into a conception of it as a mere successful grabbing of an output of commodities which keep on being produced spontaneously. Viewed thus, he says, the principles of competition and individualism justify every man in grabbing as much as he can; and the man who grabs much has just as good a right to his much as the man who can grab only little has to that little.

Now, some forms of wealth-getting do really conform to this conception; but these are not the forms which are fundamentally involved in competition. There are three ways in which great wealth may be acquired in the modern world. One is by speculation; one is by cheating; but the primary way, on which the other two depend, is by production on a great scale, which can only be accomplished by ability at successfully directing labor. Thus a dozen rich men may bring a million dollars each to a gaming table; and the end may be that the twelfth man acquires half of the money of each of the eleven; or, on the other hand some adroit swindler may plunder the whole twelve. But the gambling and the swindling do nothing to produce these riches. The riches must owe their origin to some previous productive process. The wealth produced by the modern competitive system has, therefore, its origin in a constant process of production, and if no great wealth were produced there would be no wealth to grab.

This it is that our Christian socialist, though he sometimes imagines it, constantly quite forgets; and how feeble his grasp is of the actual facts of the situation is shown by his allusion to two of the great modern industries of America—the oil industry and the steel. With regard to these he observes that “our steel kings did not invent steel, and our oil kings did not invent oil.” He speaks of both refined oil and steel as two natural products, which only waited some chance discovery, and which naturally, as articles of consumption, would have been the common property of everybody,

if it had not happened that the strong men, in virtue of their strength, had seized upon these natural products, actuated by the love of money. "and worked them for what they were worth." It is curiously illustrative of the extraordinary remoteness of our Christian socialist's mind from the kind of things with which he is dealing, that he evidently considers steel as a natural product, and is not aware that steel, and even iron melted by coal, are, the one a product of the most elaborate scientific genius, and the other only became a practical reality after the heroic labors of a few individuals in England, who after a century of endeavor, in the face of opposition and disappointment, discovered how to make coal, in iron smelting, a workable substitute for wood. But even if we waive this point, and suppose steel and iron both to be purely natural products so long as they are in their raw state, does our Christian socialist suppose that they are still natural products when they are worked up into rails, or rolled as armor plating, or fashioned into a thousand and one shapes in which our Christian socialist uses them whenever he cuts his bread, or turns a tap in his bathroom to let the water into his bath? He will find more intense thought, more concentrated practical knowledge, grouped together in a knot of exceptional men, in the steel works at Pittsburg, than he will find in all the sermons and articles on Christian socialism that have ever been delivered or excogitated. And the same may be said of the oil industry of this country. If it was only necessary to find out that certain oil wells existed, in order to give every Christian socialist a nice lamp in his parlor, our friend's view of the case might be correct. But what good is an oil well in some one particular place, until the oil is refined by the most delicate chemical processes, and distributed to consumers all over the world by a system so elaborate that the world has never seen its like? Again, the price at which such oil can be sold depends largely for its cheapness on the fact

that science has discovered how to utilize its by-products, the profits arising from these enabling the oil to be sold at a price that would be otherwise impossible. In cases like these we have no mere case of acquisition; the essential process at work is one of elaborate creation.

And now let us turn to what our author has to say with regard to invention. Inventions, he says, are the products of the mere love of invention. No inventor is ever motivated by any thought of making money by them. It is the love of money that buys these inventions up; and inventions having been bought up, according to our Christian socialist, the whole trick is accomplished, and the profits begin to pour at once into the pockets of the covetous man. A person who can speak in this way knows very little about real inventors. In the first place, inventors, as anyone who has had dealings with them knows, are constantly distinguished by an insane expectation of money; and in the second place inventors are otherwise of two well-marked classes—those who can merely invent, in the sense that they can conceive an idea, and those who possess also the practical and business qualities, which will enable them to produce their invention in some practical and marketable form. So long as invention remains an invention only, whether resident in the author's brain, or exhibited as an experimental model, the inventor has contributed nothing to the wealth or the welfare of the world. In the one case his invention is a dream; in the other case it is a toy. In order that it may become operative, and confer any benefit on anybody it has to be translated into a form which will necessitate all sorts of knowledge and calculations with regard to the strength of metals, or other kinds of materials, the practical shaping of a thousand separate parts, the designing of tools by which these parts shall be made, and the direction and the co-ordination of possibly some thousands of laborers, every one of whose separate products must ultimately

form parts of one. Some inventors have been industrial organizers also; most of them as organizers have been utterly and absurdly helpless; but whenever any great invention has assumed a practical form this realization of it has not been a mere agreeable exercise performed for the love of inventing, or from a sentimental love of humanity.

This aloofness from actual facts, and a consequent inability to deal with them, displays itself still more notably in what our Christian socialist says about co-operation as a substitute for competition. In one sense, when a number of men are associated for a given object on any terms, they exhibit co-operation. Cheops, his architects, and the thousands of slaves who obeyed them, in one sense co-operated when in the construction of the great pyramid, but if co-operation is used to mean anything distinctive, it can only mean co-operation on equal terms; but since, on the admission of our Christian socialist himself, the productive capacities of men are in the highest degree unequal, the men who produced most even if they surrendered nearly all their products, would still, in the act of production, be acting in an unequal way, and in a way not only unequal to that of most of their fellows, but in a way that was different in kind. For our Christian socialist, if he will examine the matter carefully, will perceive the fact which even socialists are now coming to acknowledge—namely, that the exceptionally able men exert their productive ability not by laboring themselves, but by directing the fact that in the actual business of production the ing the labor of others. Nothing, therefore, can alter minority produce by giving orders, whilst the majority produce by obeying them. If we choose to speak of this state of things as co-operation we may of course do so; but it is not co-operation in any distinctive sense. It is merely the kind of co-operation that exists in any factory to-day. If a child who draws very badly has its hand held by a drawing master, and produces, when

thus directed, a really beautiful drawing, and if it were to exhibit this masterpiece, saying, "I and so-and-so drew it together," any one would describe such a child as a wretched little boastful liar. In the same way the least intelligent of Mr. Edison's workmen might say he and Mr. Edison were the joint or co-operative producers of some new marvel of Mr. Edison's ingenuity, but if what the man meant by this was anything more than a platitude, and if he said it to some other employer in order to recommend himself as a man of exceptional talent, the character which he thus gave himself would be nothing short of fraudulent.

How, then, would co-operation, as dreamed of by Christian socialists, alter the situation which actually exists to-day? It would leave existing inequalities of productive power untouched, and would alter these only by introducing one inequality more—and one of a kind very much more profound. The contemplated alteration would consist in a radical alteration of the motives by which men are stimulated to do their utmost in industrial work; but this alteration would be confined to one class only—that is to say, the men whose efforts were most productive. This minority, and the less efficient majority, would be placed, from the nature of the case, on a totally different footing; for amongst the men who produced little no change at all would be required. They would not be asked to give up any single thing. On the contrary, they would be taught to expect not only the full result of their own labor, but also an indefinite bonus abstracted from the products of other men; and it requires no revolution in human nature to respond to a teaching which suggests such promises as these. The moral revolution is to be confined to the great producers only. There is not only to be one law for the poor and another law for the rich; but there is to be one kind of Christianity for the poor and another for the rich as well; and the former are to be taught to accept with instinctive enthusiasm principles which the

latter meanwhile are being virtually taught to repudiate. Whilst the majority of men are invited to look forward to more than they produce, the able men are invited to welcome with equal avidity the prospect of being allowed to retain only a hundredth part of what they produce.

The able men, however, would still remain the source to which the wealth in question is due; and it would have to be got out of them, or through them, no matter by what process it was taken.

Now, if we may judge from the *moral* programme of Christian socialism, it would be got out of the able men by some curious process of spiritual conversion—a sort of conversion de luxe, applicable to and required by the able men only; but though Christian socialists profess to have confidence in the practicability of this procedure, it is evident from the utterances of the writer with whom we are now dealing that they are not quite so confident as they seem; and that what they really rely upon is not conversion but coercion; for our author elsewhere indicates that in order to get the products of the great producers away from them, it will be necessary to abolish all ownership of private capital by law and make the state the sole employer in all branches of productive industry; and that the able men would give their services to state production as effectively as they give it now to production under the individualistic system, is shown, he says, by the success of such enterprises as the state postoffice, the state fire-brigade, and we may add—as many secular socialists add, who make use of the same arguments—the life-boat service.

Now here again we see the singular looseness of thought which Christian socialists bring to the complicated problems with which they deal, in the first place—to repeat what I have had occasion to observe elsewhere, the postoffice is not a productive business at all. It is a purely distributive enterprise; it distributes commodities, namely letters; and if any product is the off-

spring of pure individualism, it is a letter. As to the fire-brigade and the life-boat system, I will not dwell on the obvious fact that these are not productive either. I will only observe that we do find in both these services the most strenuous and devoted effort, without thought of exceptional gain; but both these deal with circumstances happily and necessarily exceptional. If all life were a continuous conflagration or shipwreck, in which everyone alike had to battle for bare existence, everyone would do his utmost without thought of personal wealth; only under circumstances such as they there would be no wealth to be gained by anybody. There is no analogy between cases in which all are struggling for life and the case of the industrial process distinctive of the modern world, nine-tenths of whose efficiency is devoted to the multiplication of superfluities. A strong swimmer will risk his life in order to help a weak one; but it does not follow that an able producer will concentrate all his powers on improving some textile industry merely in order that another man may wear a satin necktie instead of a cotton one. He will cheapen the satin neckties, and will gratify thousands by doing so; but we may safely say that from each one of these gratified thousands he will expect and will naturally demand some small remuneration for himself.

The question is, then, is it likely that this natural demand, which Christian socialism really assumes will remain unchanged and will be even accentuated amongst those who produce least, will be eradicated or rather inverted by Christian socialist preaching, amongst the peculiar type of men—hard-headed, and concentrated on the minutest details of industry, who produce most? Are they likely to become suddenly indifferent to the natural reward of their talents, or be willing to serve a state whose sole distinctive function would be to take this reward away from them?

To suppose that they would be is quite of a piece with

the supposition that steel is a natural product, with which invention has nothing to do, and that all the machinery at Pittsburg, and all the steel products produced there, belong to the Steel Trust only because the heads of the Trust and their officials, being a good deal stronger than the mass of men around them, managed to pick these things up as though they were a heap of apples.

The fact, however, still remains—though our author does not allude to it—that the principles which he advocates are, as we know from history, actually susceptible of adoption by a certain number of persons. Robert Owen, for example, in connection with whose schemes and theories the word socialism first came into existence, was a very able business man. Again, in many places and notably in this country countless attempts have been made to establish productive communities on precisely the principles which Christian socialism advocates; and some of these communities have met with some measure of success. But in so far as they have succeeded the secret of their success has been this—that they have consisted of picked men, of men with exceptional temperaments, which no more represent the temperaments of men at large than the Catholic monks do, whose lives are vowed to celibacy. Moreover, even with this fact in their favor, that they have been made up of picked men, the majority of these communities are said by those who have studied the question not to have lasted on an average for more than two years. Further, as I saw pointed out only the other day, one of longest lived of these, which was not dissolved till after more than forty years of existence, divided, when it broke up, equally amongst all its members all the capital which accumulated during something like half a century, and what each man got was only \$1,300. Any skilled mechanic at Pittsburg might save twice this in half a dozen years. Again, there was a community called Fraternal Community No. 1 of the practical

Christian Republic. This satisfied for a time the wants of its members, but these never, at its most flourishing time, amounted to more than two hundred; and even the two hundred at last had to admit that their enterprise was a failure. And what has happened at the spot where these two hundred persons failed to support themselves by production organized on Christian socialist principles? An answer was given lately to this question in one of the New York papers. "The habitation of this community," it said, "has been supplanted by a model village erected by a cotton manufacturer for three thousand of his own workmen."

The moral of this is that, though the principles of Christian socialism, as applied to production, may keep quasi-monastic knots of picked and peculiar men in a kind of penurious comfort so long as the first enthusiasm lasts, yet these principles are workable amongst small knots of men only; and that these men, instead of dividing among themselves any of that superfluous wealth which Christian socialism wishes to appropriate, are powerless to produce such wealth and consequently have none of it to divide.

If Christian socialists, however, think differently, it is perfectly open to them to try any number of experiments. Why do not the socialist clergy come down from their pulpits and found productive communities, instead of merely talking about them? They do not do this, because they cannot. They are absolutely deficient in productive ability themselves; and they can offer no inducement which will appeal to the men who possess it.

And now let me turn to a question which I have not yet touched upon, and ask in what sense Christian socialism is really Christian. I alluded to some verses in our Christian socialist newspaper, in which the writer asserts that Christ wore the thorny crown that holy labor might be free. Now, when Christ lived slavery was prevalent throughout the Roman Empire; and yet Christ said nothing about the emancipation of slaves.

Can we believe, then, that His teaching in the Gospels was a kind of prophetic cryptogram, dealing with the economics of society nineteen hundred years later? Again, when Christian socialists talk about getting the great producers to renounce their wealth voluntarily, or else to abstract it from them by the nationalization of capital, the larger part of the wealth which they desire to see redistributed consists, as I said just now, for the most part of superfluities. Was it part of the teaching of Christ that the happiness and the blessedness of a man is proportionate to the number of superfluities which he possesses without either inheriting or producing them?

It seems to me, and I hope I shall be forgiven for saying this, that the underlying reason which is prompting so many of the clergy to adopt these incoherent principles to which they give the name of Christian socialism, is to be found in a remarkable passage in the article which we have been taking for our text. "If we Churchmen," says the writer, "would build hospitals, erect churches, possess parish houses, support missions, we must go to the trust magnates and kneel." Now, what he means is not that he has to kneel literally, but that he and his brother churchmen have to go to the men, by whom, as they admit themselves, the surplus wealth of the modern world is produced, and ask them to give some of it for such and such good purposes; and that a man like a clergyman, who economically produces nothing, and who fancies that the production of steel has nothing to do with invention, to have to ask a man who produces much to give him a portion of his products, and actually to have to say "Thank you"—this is what seems to rankle most deeply in the breast of this humble follower of Christ. Indeed, Christian socialism, viewed in the light of this passage, exhibits itself as a scheme by which the socialistic clergy may acquire wealth which they cannot produce, and may yet avoid the degradation of having to say thank you for it

and may be able to offer to the Lord that which has cost them nothing.

An unworthier attitude of mind it seems to me impossible to imagine, or one more practically helpless. If there is any Christianity about it, it is Christianity in its most degenerate form. It is the attitude of a man who will go about sighing and weeping because the people have no water, and then will feel it a degradation to acknowledge the practical superiority of the able man who sinks an artesian well.

But I will not wind up with words which may be calculated to pain some. I will give to my criticism of the principles of Christian socialism a form which can offend nobody by indicating a contrast and an alternative to them. Of all the Christian bodies who have done work on a large scale amongst the poor, few can compare—and certainly not the Christian socialists—with the Salvation Army. And yet the leaders of the Salvation Army have never been tinged by socialism. For example, General B. Booth says: "It would be the merest folly to predict that material inequality will not exist to a degree, and that the power of the rich will not exist, as it has always existed." The great thing, he says, is that the richer and the poorer classes should understand each other; and that the complaints of the poor should show, and the minds of the rich realize, the thousand and one causes of particular social evils, and the thousand and one ways in which they may be severally alleviated. For example, some of the worst evils from which a large portion of the laboring class in our modern cities suffer are evils which require architectural and sanitary remedies; and for each kind of evil there is some special remedy corresponding to it. Take, for example, child labor in England. The worst evils attendant on this system in England found their remedy through the efforts of one of the most conservative of old-fashioned Englishmen, namely, the celebrated Lord Shaftsbury. Lord Shaftsbury did not waste his time in

making eyes at the moon, and moaning that before anything worth doing could be done the whole of society would have to be turned upside down. He did not want to disturb society as a whole at all. He simply set himself to deal with the particular problem before him; and in consequence of his initiative what he aimed at was accomplished.

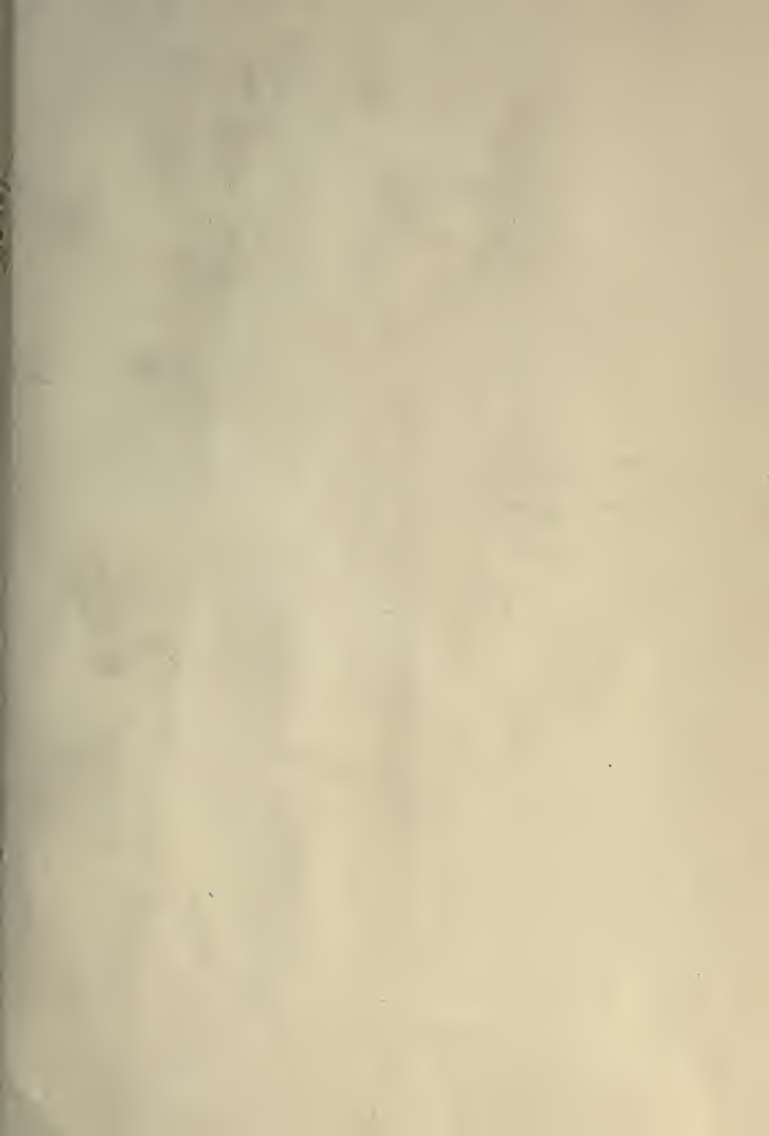
In short, there are and always will be a number of social questions, which must from time to time be dealt with as they arise; but there neither is nor will be any social question. That is to say, there never has been or will be any one panacea by which all social evils will be cured, any more than there ever will be a patent pill which will at once be a remedy for a cough and a broken leg, or which will make men, as a whole, either immune from all disease or immortal. And Christian socialism, so far as I understand it, simply represents faith in some patent pill, the very composition of which is hardly understood by the vendors, and is offered by them as a cure for evils of whose origin they understand nothing.

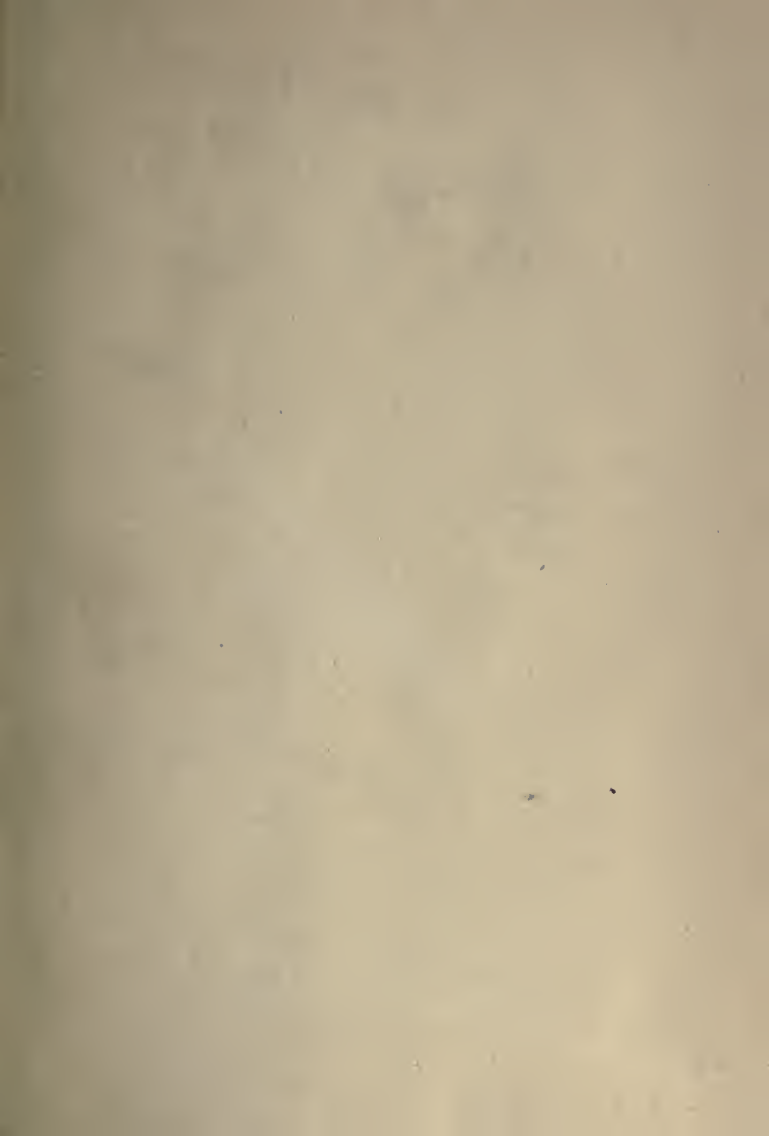
In other words, Christian socialism, so far as I understand it, aims at altering the existing situation, and by seeking either to spoliage the great producer against his will, by treating him as an irreclaimable criminal, or inducing him to submit to spoliation by turning him into an impossible saint, the rest of the community suffering no change at all, except that of being taught to keep their mouths constantly open in order to catch the viands which fall from the great producer's table.

It seems to me that the temper of mind thus indicated is based, not only in a complete ignorance both of human nature and the endless complicated details of modern industry, but is also eminently unchristian. It resembles the temper of men who, in their eagerness to suppress vice, would condemn and eliminate from humanity all sexual instinct, in which case humanity, with its virtues as well as its vices, would soon come to an end.

The Christian method, on the contrary, so far as I understand it, is not to revolutionize, still less to eradicate, any one of man's natural propensities, but to guide, elevate and ennoble them; and thus the true Christian message to the great producers of the world would be this: "Do not be ashamed of your riches; do not discard the control of them; but since they have endowed you with the means of living and acting on a larger scale than can ever be possible for the great majority of men, let your lives on this large scale be a wholesome pattern to others; partly in the way in which you, like all other men, seek your own daily enjoyment amongst your friends and families; partly in the way in which, by means of your ample resources you are able to assist and show your sympathy for your neighbors, and partly in the integrity which you exhibit in dealing with the great material interests entrusted to you.

Let those who have only a few things in respect of which they can be faithful, find a good example in you who have the opportunity of being faithful in many things.





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